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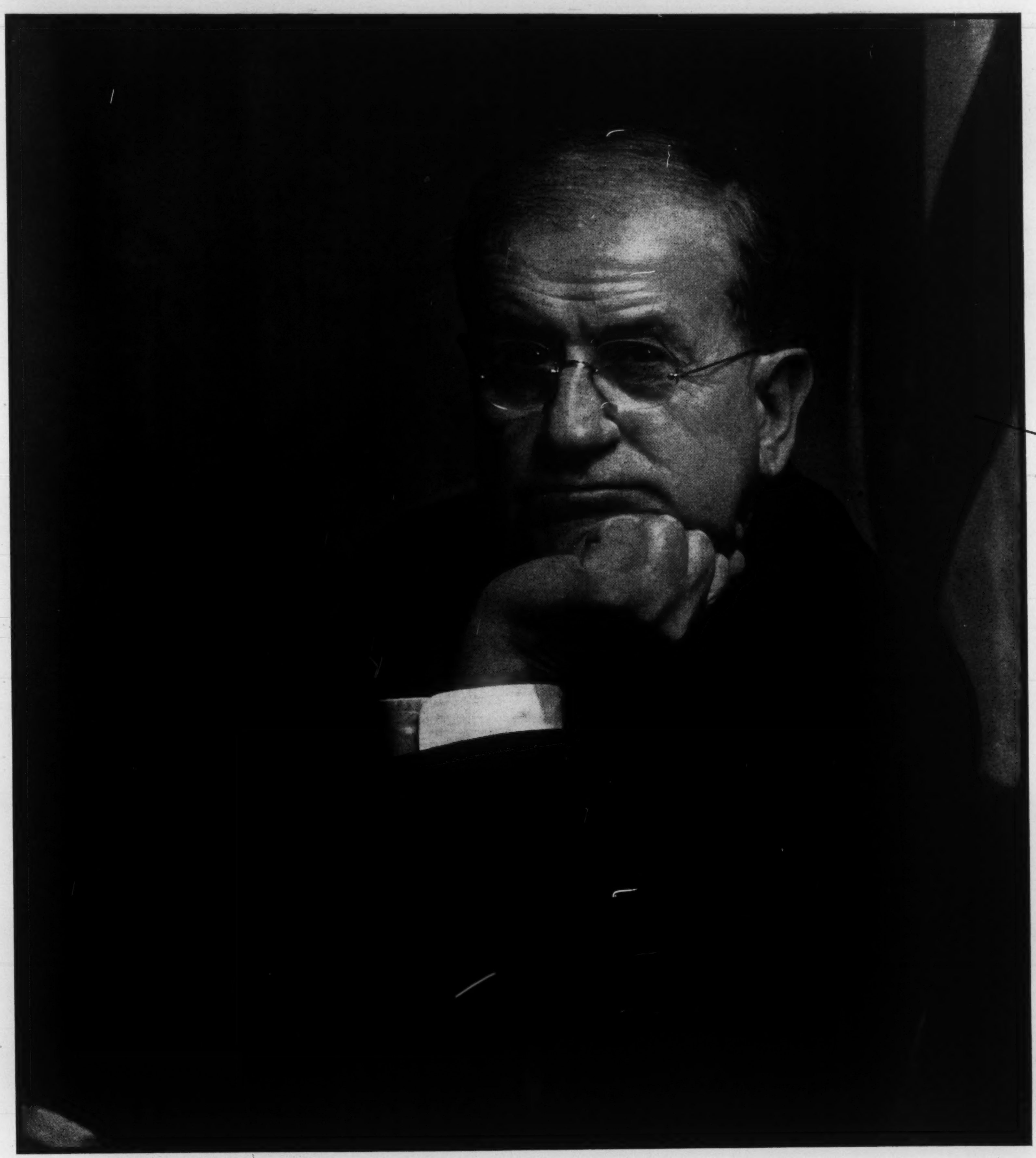
THE FRONT PAGE

Europe Must Have Order

THE United States government which has no particular interests in the Mediterranean, is understood to have had but little enthusiasm for the early liberation of Greece, feeling that that country was of small use to the Germans and kept a substantial part of their forces tied up in it. The British government on the other hand has extensive interests in the Mediterranean, and was also under a heavy moral debt to the Greeks, who came into the war on the strength of British assurances of support and have suffered more severely than most European countries from German occupation. The liberation of Greece was therefore undertaken as a purely British adventure.

This is why the British alone have had to bear responsibility for the difficult task of establishing some form of government to replace the German military rule, a situation which has made it possible for some American commentators—and some Canadian commentators have not been far behind them—to declare that the Greeks were no better off after being liberated than they were before.

The idea that the E.L.A.S., who are admittedly led by Communists, are actually pure and unadulterated democrats, only concerned to let the Greeks choose their own form of government, and fighting merely to prevent the Greek monarchy from being reestablished against the people's will, seems to us slightly simple-minded. (That the royalists are not much better we are quite ready to believe, but they at least were ready to allow the British to have some say in the process of ascertaining the national will, while the E.L.A.S. from all appearances were ready to establish a dictatorship completely based upon force.)



HAROLD L. ICKES →

A striking photograph by Karsh of Harold L. Ickes, U.S. Secretary of the Interior, War Petroleum Administrator and more recently Federal Coal Mine Administrator, whose predilection for "saying it with brickbats" marks him as perhaps the most colorful member of President Roosevelt's War Cabinet. His almost unlimited command of barbed words and explosive expletives he modestly attributes to earlier experience as assistant political editor of the Chicago Record.

We have long believed that as the various European countries were successively freed from the German yoke it would be found that the Communist element is far better equipped both as to physical power and organization than any other political section. It does not follow that it will in all cases be wise to turn each and every country over to the Communists, and it certainly does not follow that the result will correspond most closely with the will of the majority. Mistakes will be made by any one of the Great Powers which tries to do anything to establish an ordered rule in such countries — except perhaps by Russia, which can never make a mistake so long as it backs the Communist party. Mistakes will be made by the Americans unless they persist in their favorite policy of not accepting any responsibility and criticizing everybody else who does. Mistakes will certainly be made by the British. Nevertheless it is vitally important that ordered rule be reestablished after the expulsion of the Germans as promptly as possible.

Who Invented "Zombie"?

WE WILL pay the sum of twenty-five dollars for the earliest authenticated example of the public use of the term "Zombie" to designate a member of the National Resources Mobilization Act forces, otherwise the home service army, which reaches us before noon on Saturday, January 27, four weeks from the date of this issue. It is a matter of considerable interest to establish the origin of this term, the use of which has played so important a part in the campaign for conscription. The question whether the use is "authenticated" as being of a particular date must, we fear, be left to the editors. A newspaper clipping bearing a date, or capable of being verified by reference to the files, would of course be conclusive. A statement supported by two or three reputable persons that the term was used in a speech whose date can be verified would be acceptable even if no report of the speech exists. Private conversations will not count. In the event of two or more entries coinciding on the same date and that date being the earliest authenticated, we will add another five dollars and divide the total equally, unless the idea could clearly have been borrowed by one user from another, as by an afternoon paper from a morning paper in the same town. Address "Zombie Editor," Saturday Night. The prize goes to the person who sends in the example, not to the person who used the term.

Toronto Traffic Bylaw

WE DO not often feel impelled to defend the city of Toronto, partly because it is so good at defending itself. But in the matter of the fun poked at it about its "new" traffic bylaw we do find it necessary to say a few words. Toronto would probably be all right if it were not for the Torontonians. It was a Torontonian who started the story that the new bylaw required pedestrians to hold out the right hand when they were about to turn round a corner, and to refrain from running after the streetcars. There is not a word about either practice in the document. The item in its actual contents which raised the greatest amount of objection from Torontonians is one which we find eminently proper, namely a requirement that persons intending to board streetcars shall

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Major-General Brock Chisholm —*Photo by Karsh.*

NAME IN THE NEWS

Gen. Chisholm Will Cure Psychic Ills of Civil Life as of Army

By COROLYN COX

HOW well shall we be able to manage ourselves from now on in Canada will perhaps be best answered by how much scope we-the-people give to Major General George Brock Chisholm, C.B.E., M.C., E.D., M.D. He is the new Deputy Minister of the National Health section of reorganized Department of Health and National Welfare at Ottawa. General Chisholm has just accomplished, as chief of the Medical Services of the Army, a job that has put Canada in the forefront of the world, gives us a demonstration of his new conception of the word "health".

What General Chisholm did in the army was briefly as follows. He is a psychiatrist, and no other army medical service in the world has been headed by a psychiatrist. He introduced into our army personnel selection and social medicine, the recognition that "medicine" today more and more develops into consideration of man in his total environment. It isn't just a question of bacteria. He has arranged to sort out men before training so that they may be directed into services at which they can be most competent, assist those individuals who need it to adjust themselves to their new social conditions, preventing various types of neurosis before they have developed to the stage where they are a trouble to the man and to his unit. Under his direction was designed and put into effect the "pulhems" system, the name derived from the initials of the seven different headings under which examination of each soldier produces a "profile" of that man from seven different aspects. At the same time a job analysis produces a profile of each occupation required in the forces, lists the minimum requirements in each of the seven aspects investigated in the man's profile. Thus the team of physicians, surgeons, psychiatrists, psychologists and social workers working on each case are able to recommend the individual for training, special courses, trades, at which he has the greatest likelihood of succeeding.

Result has been an enormously happier and more efficient army. There is less a.w.o.l. trouble, infinitely less drunkenness. Frustration of defeat ceases to undermine morale. The system has had ample trial, both here and overseas, been proven a marked success. General Chisholm has shown himself to be not only a brilliant psychiatrist, but an exceptional administrator, who gets on well with other men, enlists their enthusiastic co-operation and support. When you talk it over with him you understand why. His own enthusiasm is entirely selfless. Witness his follow-through on his wartime job. He might now rest on his laurels, since the system is working so well. He might acquire further affluence comfortably accepting any of several highly paid civil jobs already offered him. Instead he takes on this deputyship that brings him back to tackle the same problems in the world to which the men of his army will return—Canadian civil life.

It's not a straight-ahead assignment, either. For the good old B.N.A. Act leaves autonomy over the main issues in the hands of each province. But in so far as the Federal Department of Health can inspire and stimulate, there is the man who possesses the wisdom, the experience and the proven ability to make the whole people of a country happier, to further and develop social medicine for the benefit of the many. It will rest with each community and with Parliament how far he is used. It is noteworthy that he himself has been willing to go the whole way for us, give his full time, limit his earnings drastically, devote to the democratic service all the talent and wisdom that fetch such handsome financial and honorary rewards when proffered to the privileged few.

Chisholm is in his prime, forty-eight years of age, was born and educated in Oakville, Ont. He went to public schools, was pinned down in High School at the beginning of the last war, but the moment he reached eighteen in 1915, he enlisted as a private, was sent over to England and as a reinforcement to France to the 48th Highlanders. He progressed, stripe by stripe, in the army, as cook, sniper, scout, machine gunner, had a go at all the types of jobs there were on the "lower levels". Then on New Year's Day of 1917 he was commissioned, by the end of the war commanded a company, thus experienced most of the conditions with which the men who passed through his hands in this war have to cope.

A Mind Doctor

Chisholm had intended to be a doctor always. Overseas the first war provided a remarkable laboratory in which naked emotions were exposed for study. He was fascinated, pondered why the human animal acts as it does, decided that to be afraid of fear was one of the greatest of the soldier's troubles. In itself fear does no harm, he explains, but when they mismanage it, confuse fear with cowardice, try not to permit themselves to feel fear, they pile it up unused and so come to grief. If they just relax and are scared, they find they can behave courageously in spite of fear.

Back in Canada in 1919, hard as it was to settle down to being a student in a classroom after having men's lives in his hands, Chisholm, with his career chosen, returned to Toronto University, earned his way through to an M.D.

Summers he spent happily sailing schooners up the Great Lakes, driving trucks, shovelling coal, taking census—incidentally learning more about the animal man.

Serving his internship in London, England, Chisholm at the same time worked at Tavistock clinic, later the Institute of Psychological Medicine. But before specializing, he returned to Oakville, did six years of general practice. After that he went on the staff of the Institute of Human Relations at Yale University, which had embarked upon a vast study of Man, with Hospital, Medical School, Nursing School, Institute of Human Relations and unique facilities for research and experiment. Chisholm, in addition to working in many branches of this "plant", gave innumerable outside lectures, premarital courses, talks to church groups, parent-teachers organizations and clubs.

Two years later he returned to England, worked at Queen's Square Neurological Hospital where one met organic diseases and at the Institute of Psychological Medicine where neurotic conditions rather than diseases were the main preoccupation. During this period, in 1934, Chisholm got from a German doctor the whole story of modern Germany, its ghastly schemes and ideology, with assurance that it would make no difference how widely Chisholm repeated it all on this side of the Atlantic—nobody would believe it because they did not wish to. This he found, on his return to Canada, was exactly the truth. So while he set up practice in psychiatry in Toronto, he returned with fervor to his association with the Militia, feeling that the mouse who pretends the cat isn't there does not survive.

After the outbreak of the present conflict, Chisholm served as Commandant of the northern area of M.D. 2 with headquarters at North Bay, and in June, 1941, came to Ottawa as G.S.O.I. assigned to Military Training. In September 1941 he set up the Personnel Selection organization of which he was named Director. He was then Deputy Adjutant General and was appointed Director General of Medical Services in September 1942.

National Neuroses

The world looks a pretty unmanageable affair today. Yet when you see it through the experienced, wise eyes of a Brock Chisholm, individuals and groups assume a psychiatric "profile" that is understandable. Out of understanding comes the means of prevention of individual or national neurosis. Out of better management of human beings and their natural instincts come constructive happiness and satisfaction. It seems as though Major General Chisholm has a great deal to offer in the task of producing a happy and satisfied citizenry of Canada. Possibly hereafter if we ask him and are willing to listen, even when we do not like the answer, he may be able to help us achieve correct "profiles" of other groups with whom we share tenancy of this world. With nations, as with men, there may be a way to avoid "various types of neurosis" if we have the courage to tackle them before they have developed to the unmanageable stage.

DEAR MR. EDITOR

Is Quebec More Law-Abiding in The Matter of School Taxes?

Editor, SATURDAY NIGHT:

YOU state (Dec. 16) that the freedom given Protestants and Jews in the Province of Quebec is due to the Acts of the Dominion Government. You state only a half truth.

It is true that the B.N.A. Act gives Protestants and Jews in Quebec as well as Catholics in Ontario exemption from paying taxes to schools other than their own, but credit must be given to the Province of Quebec for giving effect to the law. If the B.N.A. Act were to be given the full credit why then have not the Catholics of Ontario received taxes from Public utilities which are owned by Catholics and Protestants alike? The truth is Quebec has given effect to the law which Ontario has not.

As you are so anxious to "educate" the Jesuits why not show them the whole picture?

Brockville, Ont. M. SHAUGHNESSY

Federalize Education

Editor, SATURDAY NIGHT:

EDUCATION is the chief defense of the Nation against a possible and most horrible World War III. But publicity on the true worth of a cultural, spiritual, material, and political education to a free people unless organized on a national basis, without regard to language, race, creed, or color, and properly directed by our great and cultured leaders will be just a waste of time and money.

In Canada, today, there are a number of educated leaders who can give point and direction to National Education, and bring unity to it, as well.

But there is one of this illustrious number who stands head and shoulders above them all; namely, the Principal and Vice-Chancellor of McGill University.

Therefore I suggest that the Federal Government create a new portfolio in its Cabinet to be known as the "Minister of Education".

And I furthermore suggest that the man best qualified to be the First Minister of Education in the Federal Cabinet is Doctor Cyril F. James.

"Let nothing come between the people and the light."

Montreal, Que. MORRIS GOODMAN

Tolerance

Editor, SATURDAY NIGHT:

THERE has come into my hands a small book entitled *A Book of Jewish Thoughts;* for the Jews in the Services.

If such a book could be widely read by those of us belonging to the Christian churches it would help us, I think, to realize better the heritage we have in common with our brother Jews. Except that the emphasis is on the *fear* of God, rather than on the *love* of God there is little distinction to be made between this book and the devotional books by our bedsides.

Our devotional books are also greatly indebted to the Catholic writers; few of them omit the names of St. Francis, Thomas a-Kempis, Fenelon, St. Theresa of Avila. The Koran and the Eastern writers also have much that is similar in spirit to our own Bible. In fact every religion expresses the striving of man towards something higher than his own physical desires and an effort to develop and sustain what he feels to be his higher nature.

Can we not privately, if not officially, let our "post-war plan" include a greater charity towards the human brotherhood which is not included in our own particular sect?

Kingston, Ont. M. M. H.

Engine Facts

Editor, SATURDAY NIGHT:

IN YOUR "Front Page" article of October 14 you credit Diesel with the invention of the internal combustion engine.

The fact is that Diesel was preceded by a long line of inventors and the internal combustion engine was known 70 years before his time.

According to a Chart in Dickenson's *History of the Steam Engine* (Cambridge, 1939):

Brown's vacuum gas engine was produced in 1823. Barnetts' compression gas engine in 1838. Lenoir's gas engine with electric ignition in 1860. Otto's four stroke compression engine in 1876. Clarke's two stroke gas engine in 1881. Daimler's light motor in 1884, and Diesel's first crude oil engine was produced in 1892.

What Diesel invented was the oil engine in which ignition of the charge is produced by the heat of compression alone and the fact is that far more power is now being produced all over the world by internal combustion engines of the ignition type than by the Diesel system.

Outremont, Que. GEO. E. WRIGHT

Objection Filed

Editor, SATURDAY NIGHT:

FOR some years I have sent SATURDAY NIGHT to relatives in foreign parts in order that they might be well informed on Canadian affairs.

What are they to think now that "The Front Page" declares that Mr. King, as a result of his management of the conscription crisis, stands higher in the esteem of the Canadian people than ever before?

People elsewhere, if they believe this, must think that Canadians have lost all sense of political decency, and admire only expediency, guile, and momentary partisan advantage. And that we Canadians hold these views when our troops overseas need reinforcements.

My own view is that Mr. King lost his chance for greatness and for winning the next election when he did not accept Col. Ralston's recommendations, backed as these were by the highest officers—and the amphibious other ranks in the Netherlands.

Toronto, Ont. ANDREW OLIPHANT

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The Front Page

(Continued from Page One)

refrain from entering the roadway—that is, shall remain on the sidewalk—until the car has come to a stop. This is a requirement that is obviously necessary in the interests of every kind of traffic, including that of the streetcar-riders themselves, for the practice (to which Torontonians are excessively addicted) of swarming out into the street while the car is still two blocks away compels all motor and horse traffic to take to the car-tracks and thus prevents the streetcars from getting up to the intersection.

There is not a word in the bylaw about running after streetcars. There is a provision that people shall not "run or race" on any highway, but a highway is defined as something used "for the passage of vehicles" so that the prohibition does not prevent anybody from running on the sidewalk. That people on foot should not chase after streetcars in the middle of the vehicular way seems to us a very reasonable idea.

WAR MARRIAGE

SILENCE was between us then like a firm
hand holding
Our hearts together;
And loneliness was a forgotten thing
When we spoke to each other without words.
And weariness was forgotten,
With all the twitterings of tomorrow,
While we leaned upon the strong arm of our
love
And found in each other's eyes
The answer to all life's questioning.

The morning will come
And you will not welcome it with me;
The night will come
And we shall not share its tenderness.
But once there was a foothold carved in space,
Once there was a moment above time,
And once we drew from love's great silence
The spirit of togetherness.
The undying spirit of togetherness.

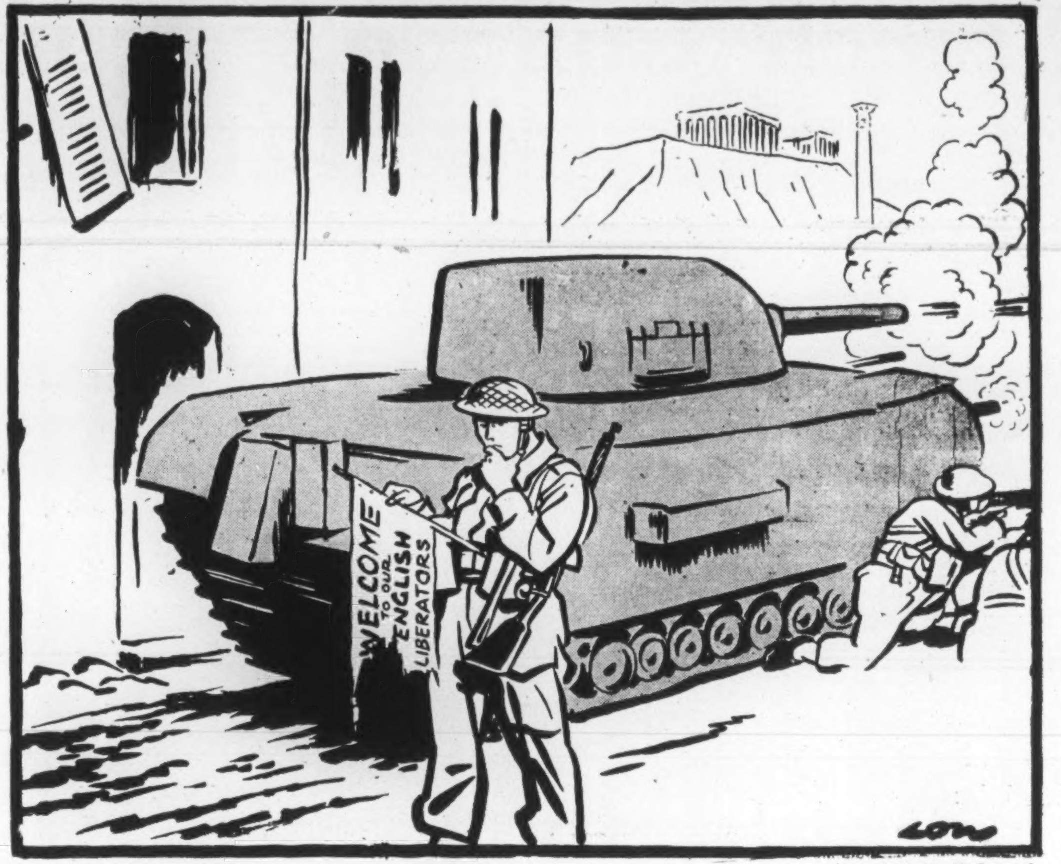
GILEAN DOUGLAS

It appears to us desirable also that there should be a rule designating on which side pedestrians meeting one-another should pass. This the bylaw provides. The trouble here is, however, that violation of the rule does not, as in the case of vehicles, create a grave danger, it creates merely a mild nuisance. The bylaw makes persons violating the rule liable to a fine of $10 for first offence and $25 for subsequent offences. It is fairly obvious that not one in a thousand violations would ever be prosecuted, and we dislike making a punishable offence of something which will only be punished once in a thousand times; it tends to bring the law into contempt. All that is required, it seems to us, is that persons passing on the wrong side shall automatically become liable for all damages that may result from their action. Even this leaves a certain amount of difficulty, as every wrong passing must always involve the action of two persons, and one of these will usually be much more to blame than the other.

Church and Radio

THERE appears to be an impression that the C.B.C. has some responsibility in connection with the broadcast of the evening service of St. Stephen's Church, Toronto. This is an error. Throughout the long years of its currency this broadcast has always been carried only by one privately owned Toronto station; and there is not, and could hardly be, any regulation of the C.B.C. compelling private stations to carry a particular religious broadcast at a particular time. If this broadcast should be abandoned it would be in order to replace it with a commercial program which is both revenue-producing and highly popular.

The suggestion occasionally heard that the C.B.C. should prohibit all commercial broadcasting on Sunday ignores the fact that much of the commercial broadcasting imported from the U.S., and some indeed of Canadian origin, is extremely popular with listeners. It has to be, since a broadcast which fails to get listeners is a pure waste of money, and people do not listen long to things they do not like. The better hours on Sunday are the most valuable advertising time in the week. To prohibit commercial broadcasting in them would simply drive the greater part of the Canadian audience to tune in American stations.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LOW

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Education Grants

IT IS, we believe, a thoroughly sound principle that, the more difficult are the conditions under which a local educational unit works, the larger should be the contribution of the central financial authority to the work of that unit. That is the principle which the new Ontario regulations are intended to systematize. Difficulty means, of course, costliness in relation to the taxable resources against which the cost can be charged. In urban municipalities there is in the new regulations no attempt to use the taxable resources as a factor in the calculations, and the size of the urban population is substituted. This seems a rather rough-and-ready method, but is probably due to the fact that the practices of municipalities in regard to assessment are very variable, and so is the density of school population per classroom, which is the other determining factor in rural areas, so that the use of the rural formula of "assessment per classroom" might produce very inequitable results.

All municipalities between 10,000 and 100,000 are to get 35 per cent of their "approved cost" of education, in public and separate schools alike; those below 10,000 will get 42 per cent, 50 per cent and 60 per cent at various stages of diminishing size. In such areas it is assumed that the financial problems of public and separate schools are pretty much the same.

In the rural areas this is notoriously not the case, and here the assessment-per-classroom formula becomes necessary, making it possible to give different rates of assistance to the public and separate schools in the same area, according to whether the one or the other has the larger amount of assessable property to levy upon for each classroom. It is possible for as much as 95 per cent of the approved cost of a school section or separate school organization to come from the provincial treasury, though such cases will be extremely rare, as will even the cases in which 90 per cent is payable by reason of the assessment per classroom being below $30,000.

That these proposals will excite just as great or even greater animosity in certain quarters than the various earlier proposals for overcoming the extreme discrepancy between taxable capacity and educational needs in certain areas, and especially in certain Roman Catholic school board areas, is obvious. The whole basis of financing which existed when the separate school system grew up in Ontario and which is still theoretically in force (though lately becoming more and more modified by increasing government grants based on need) has become unworkable. Its theory was that approximate equity would be attained if the religion of the property owner or tenant determined the question whether his school tax should go to the public or separate school. The enormous increase in industrial property as distinct from residential, and the frequency with which industrial property is under ownership which cannot be identified as being Catholic, or which is actually Protestant, while great numbers of the workers are Catholic, has destroyed all prospect of equity resulting from any such distribution.

There are many citizens who believe with what amounts to a religious conviction that this situation should be utilized to starve the minority schools into extinction, and that no hardship or injustice is thereby created, because the public schools are non-sectarian and are available to citizens of all creeds. The letter of the constitution, these people argue, requires no more than that the school taxes of property owners or occupants who are demonstrably Catholic should be used for the support of Catholic schools in the districts in which the property exists; and nothing should be given by the province for Catholic education beyond what the letter of the constitution calls for. Our own feeling is that adherence to the letter of the constitution, if this is the letter, involves evasion of its spirit; and in the matter of arrangements between majority and minority classes of the citizenry we prefer to adhere to the spirit. But the question is obviously one which can only be answered in accordance with the views of the electorate as a whole, and we hope that Mr. Drew has sufficiently educated his following—part of whom were responsible for the failure of earlier efforts in the same direction—to enable them to take a broad view.

Arson and Murder

THE Montreal French-language monthly, *Relations*, has a reference in its December issue to the "astonishing behavior of the press agencies: the assassination of Lord Moyne by two Jews in Cairo has occupied less space than the charring of the sub-basement of the Quebec synagogue by a fire set by unknown persons". This rebuke certainly does not apply to SATURDAY NIGHT, which has devoted two long articles to the Moyne tragedy and practically nothing to the synagogue; but after all the synagogue fire occurred in Canada, and Canadians presumably may take some proper interest in the prevention of outrages against religion in their own country.

As for the other subject, it received from the Canadian press quite as much attention as the average assassination of a British official by an Irish extremist used to get when the Irish were dissatisfied with their political position—probably more, for the Irish assassinations went on so long that they became a bit monotonous and thus ceased to be hot news. We hope that the desire of *Relations* for more space for the Moyne murder is not wholly due to the racial origin or religion of the murderers.

The Passing Show

MR. ROOSEVELT says his future course will be "slightly to the left of centre". That's OK with us, but with the right moving leftward the way it has been for five years we want to know just where "centre" is.

•

Montreal *Star* says that Montreal has seven hundred policemen less than it needs, which we suppose is the kind way of saying that Montreal needs seven hundred more policemen than it has got.

•

Congratulations on an elderly politician's birthday can always be unanimous. Some people are glad that he has lived so long, and others that he can't live much longer.

•

In England wives shine their husbands' shoes. In Canada they give them a shoe-shine box for Christmas.

•

The Nazis are reported preparing for five years of underground warfare after the open war is ended. At least they know where they are going to be.

•

Confirmation of the State Department appointment of Archibald MacLeish should not be taken as proving that the U.S. Senate can understand his poetry.

•

The Chicago *Tribune* is running a Dewey-must-go campaign against the candidate's renomination in 1948, which sounds to us like a very fine build-up.

•

Strange Neighbor

All through our sausages and mashed,
All through our raisin pie,
Our curiosity was lashed
By a fellow sitting nigh.

An evening paper was set up
Against his coffee pot.
He ate his sandwich, drank his cup,
And truly hasted not.

For he was reading all the while,
Chewing *adagio*,
Illumined by a partial smile.
We saw it come and go.

He had a legalistic air,
A neat and formal face,
The lines of thought enclustered there.
His garb was worn with grace.

Oh, was he musing on the War,
On eloquence sublime?
No, sir; he read the Comics for
The
whole
darn
time!

J. E. M.

•

"The building of a nineteen-pound program covering every aspect of Canada's post-war needs was the major task accomplished by . . . the C.C.F. national convention in Montreal."
—*New Commonwealth*, Toronto.

A weighty document, comrades!

•

The Office of Defence Transportation in the United States has been trying without much success to keep Americans off the railroads for the holiday season, with the result that ODT now stands for O Don't Travel.

•

Mr. Tim Buck sent the C.C.F. Convention a sixteen-page telegram, which the Convention tabled unread, thus saying in effect to Mr. Buck, "I'm not that kind of a girl".

•

Ambassador Pearson has the right to be called Your Excellency, but believes that every decent Canadian has the right to call him "Mike".

•

We await the time when Mr. Tim Buck constitutes himself a National Liberation Front for Canada on the ELAS model.

•

Christmas is over, and now the stores won't need nearly so many of those girls who say "Sorry, we have no stockings".

•

Rudolph Hess is said to have a guard of thirty men. At this rate if they ever catch Hitler they'll have to remobilize the Home Guard.

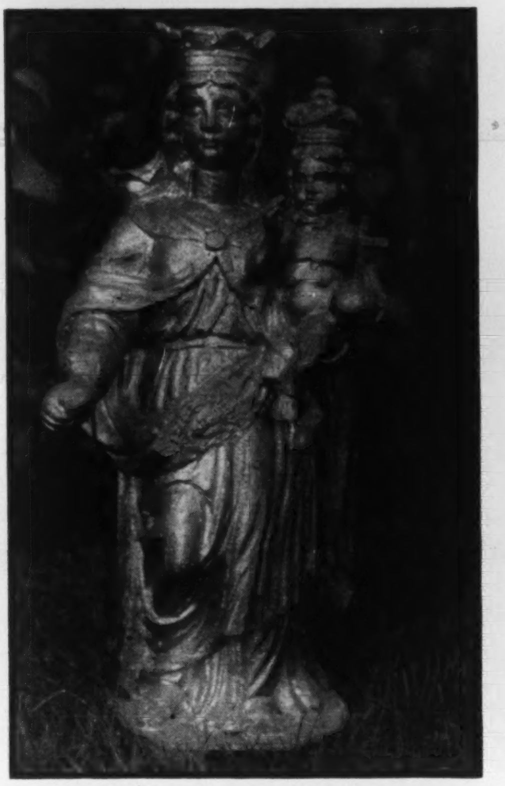
•

For 1945 Hollywood has released a new list of baby stars. At least they're not blaming them on Chaplin.

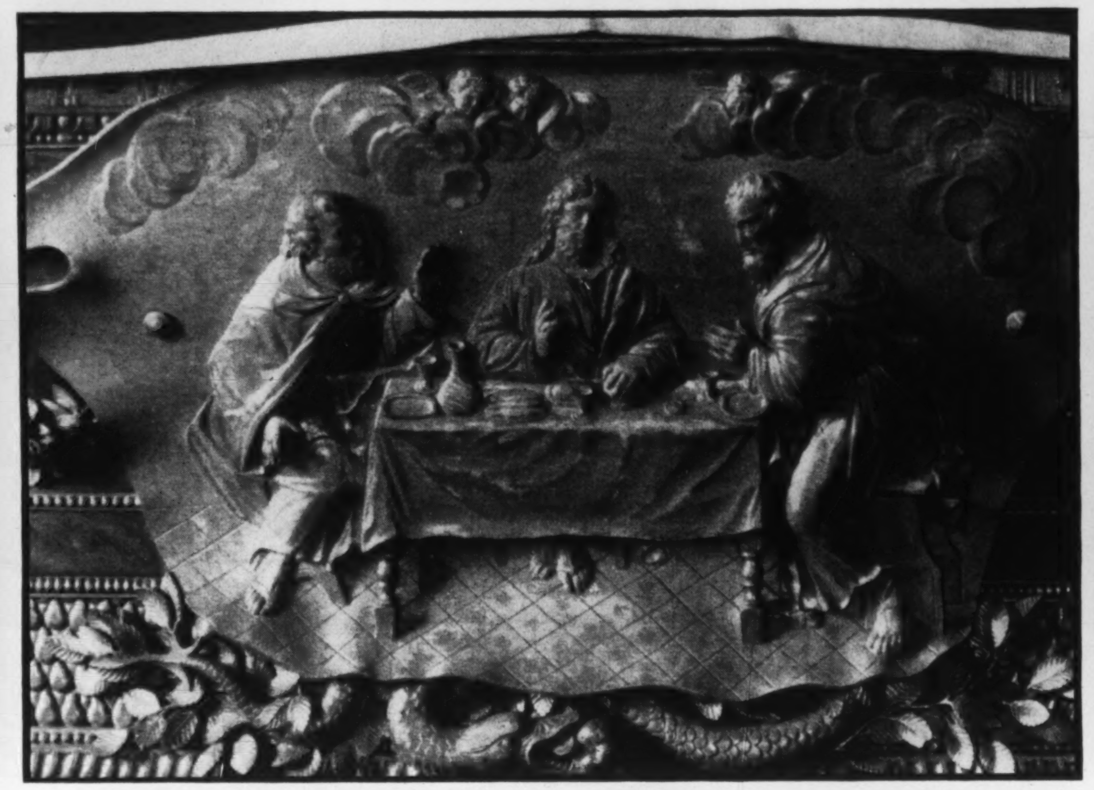
•

It seems that Hitler wasn't dead after all. He was only out being operated on for carpet tacks.

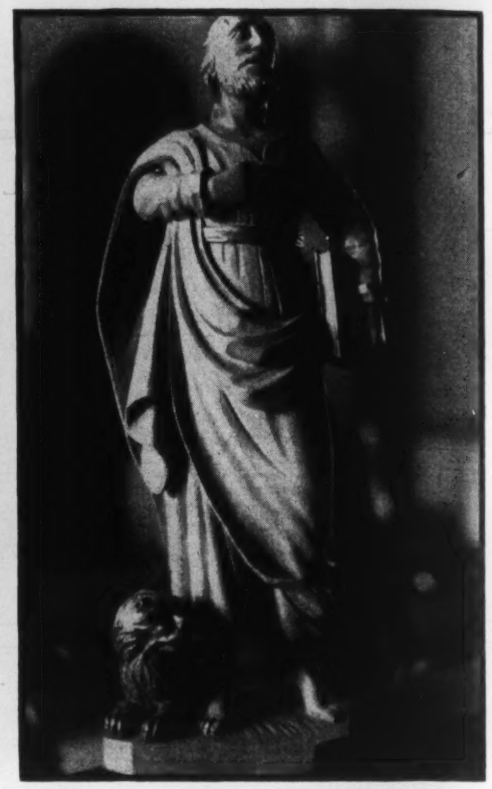
Safeguard French Canada's Artistic Heritage



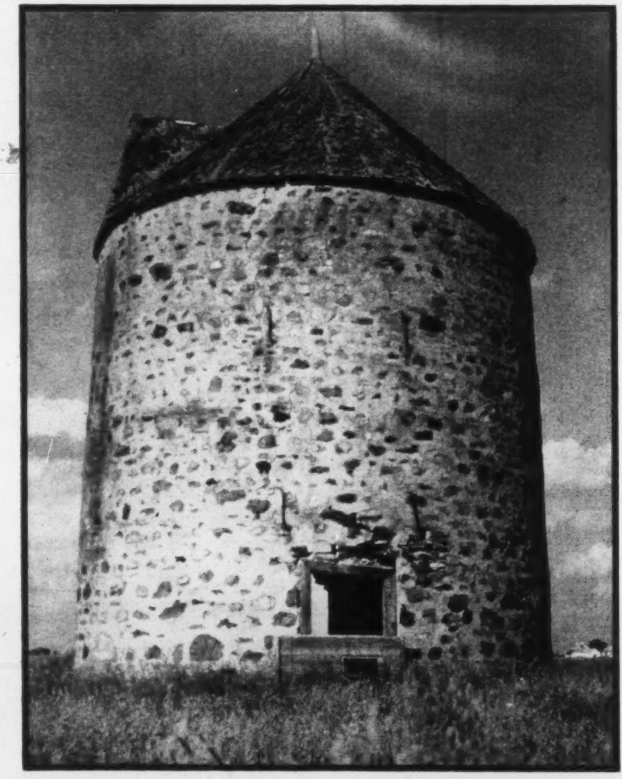
Typical of earlier wood sculpture in Quebec is this Madonna and Child in the Chapel of Saint Joachim, Varennes.



Showing the refinement of detail which distinguishes the work of those most gifted of French wood sculptors, Francois and Thomas Baillairgé, is this sculpture in relief, "The Disciples at Emmaus", executed in 1815 for the high altar at Sainte-Anne-de-Beaupré.



Saint Marc and Lion, a wood sculpture painted in gray, in church at Vaudreuil, is the work of Philippe Liébert (1792).



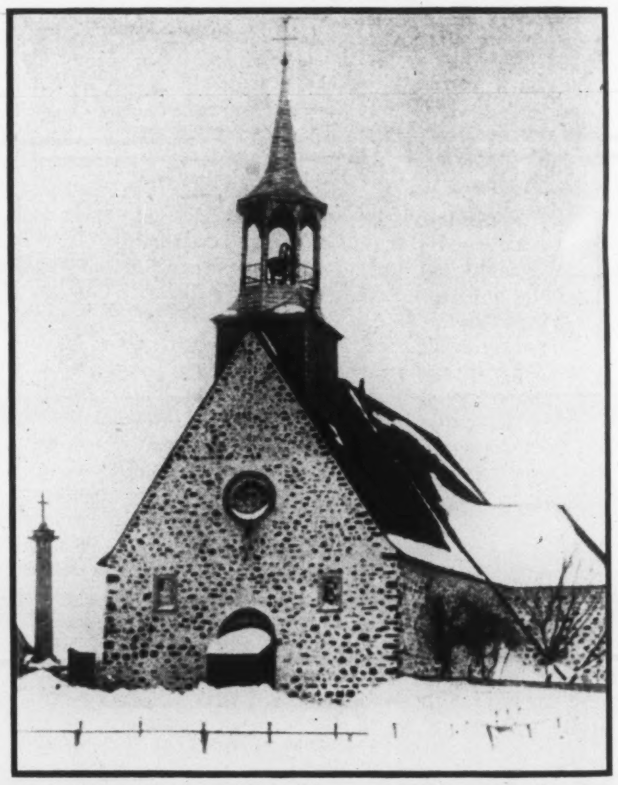
Relic of an earlier day is this habitant mill of field stone, built about 1780 and now abandoned; to be seen in field between Vercheres and Varennes.

TO SPEAK of an artistic past of either architecture or sculpture in a country as young as Canada seems a bold phrase, but the enthusiastic research workers of the province of Quebec have revealed an artistic heritage in which the whole of Canada can take pride. These men, sponsored by the provincial government, have catalogued, preserved and made known to the public, a culture which, in spite of its recognizable debt to Old France, is peculiarly French Canadian.

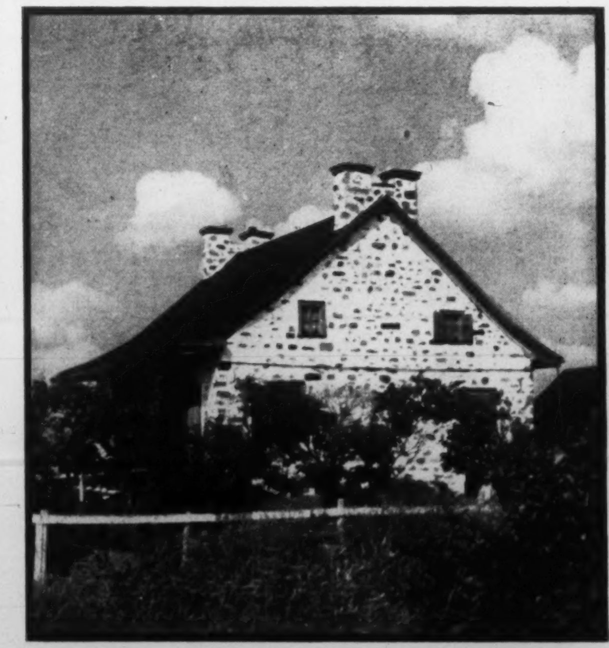
Perhaps nowhere on this continent, with the exception of Mexico do we find artistic expression more closely related to the *mores* of a people. This is particularly true of early art forms in Quebec, such as wood sculpture and the development of the simple but distinctive architecture of the early French habitant. Since the church is the predominant influence in the life of the province, it is natural that it was also the inspiration and source of its earliest art work. The first woodcarvers arrived from Old France to decorate the interiors of the churches. The silversmiths followed to fashion the chalices, sanctuary lamps and other sacramental vessels. Old churches, such as that at Lachenaie (built in 1715, destroyed in 1883), reveal both the solidity needed to withstand the severe Canadian winters and the simple grace reminiscent of the more cultivated, less rigorous demands of a Continental civilization.

Since both wood sculpture and architecture were associated so closely with eminently utilitarian needs, both are nearer to being expert craftsmanship than pure art, which so often is wholly divorced from everyday living. Consequently you will find nothing new or revolutionary in this native art, but none can deny that, within the tradition, there has been definite growth and development. Quite obviously there is a wide gap between the Madonna and Child (upper left, carved about 1740), primitive and crude in its treatment, and the disciplined grace and dignity of the Saint Marc (upper right) by Philippe Liébert (1792). But French-Canadian wood sculpture reached its flowering in the work of the Baillairgé family, father and sons, whose carvings adorn many churches.

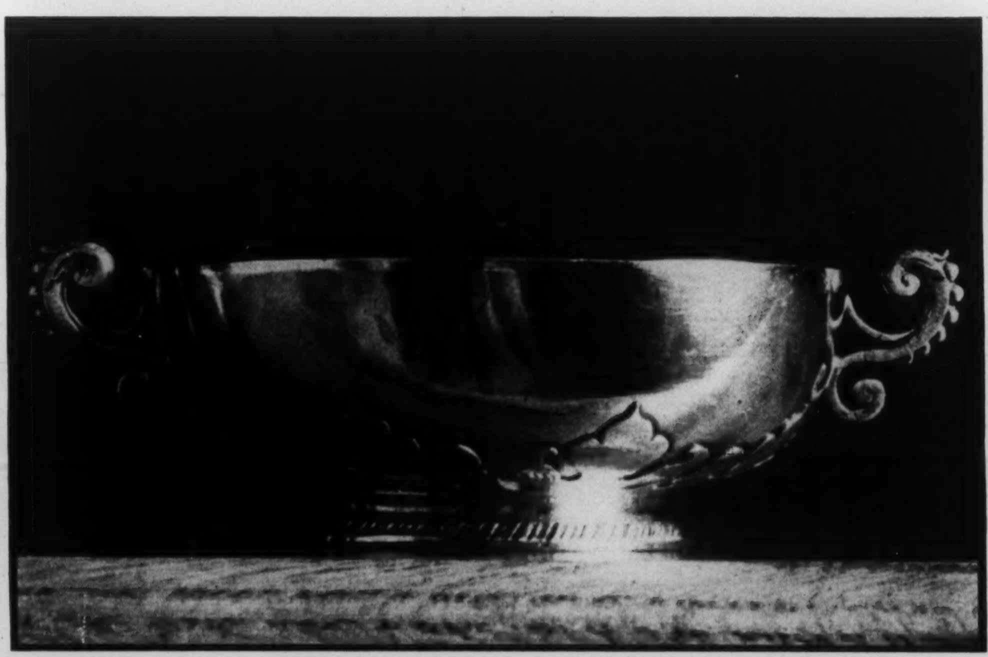
Now, thanks to the careful research of M. Gérard Morisset and others who have succeeded in accrediting the various pieces of wood sculpture and metal work to individual artists, much of the anonymity in French-Canadian art has been dissipated.



Simplicity of early Quebec church architecture is exemplified in this gracious field stone church at Lachinaie, built in 1815 — destroyed in 1883.



Steep sloping roof of typical homestead near Varennes prevents accumulation of heavy snow.



Almost modern in feeling is this massive silver vase, ornamented with leaves in relief, the work of an early French silversmith (1772). Now in Hotel-Dieu, Quebec.

Francois Ranvoyzé (1795) created sacred vessels like this ciborium.

Labor Has Big Issues to Settle in 1945

By C. ROSS MacEWAN

What will be the objectives of organized labor in 1945? There is a shift of interest from hourly wage rates to a guaranteed annual income. There is the problem of the seniority rights of returned service men. And there is the great problem of Political Action, with the L.P.P. and the C.C.F. trying to steer Labor up different alleys.

CANADIAN Labor's 1945 pattern was sketched out during autumn conventions in 1944. The younger Canadian Congress of Labor met first, in Quebec City. A week later, in Toronto, the older Trades and Labor Congress held its 75th annual conclave. Despite the usual surface differences, both groups agreed on essentials.

Common to both Congresses, for example, were twin economic and legislative aims: stress on a guaranteed annual income rather than pay by the hour, and the speedy passing of laws to secure union status in the postwar period.

Both labor groups left the same big problem unsolved: what privilèges should be extended to returning members of the Armed Forces over those who, for one reason or the other, have remained at home?

The trend toward direct political activity continued, more clearly outlined by the C.C.L. but also obvious in the comparatively conservative Trades and Labor Congress.

Going into detail, the idea of a guaranteed annual income becomes the big new headache with which many employers will have to wrestle in working out 1945 collective agreements. The idea of giving factory workers the same security status as salaried office or professional workers is not new in theory. It has been tried. But it is new, as a practical issue, for most companies.

$1500 Minimum

The Trades and Labor Congress, by resolution, named $1500 a year as the objective for a guaranteed annual minimum earning for a Canadian industrial employee. The powerful United Steelworker's, one of the C.C.L.'s largest affiliates, announced that it would go after a guaranteed annual minimum earning of $1700 for its membership in new contracts. It will be remembered that the Steelworkers' last announced objective was a 55c per hour minimum plus cost of living bonus. It gained that objective rather dramatically, knocking out the old National War Labor Board set-up and giving birth to an amended wage control order en route.

Justifying their new objective, the guaranteed annual wage proponents argue that fluctuating income produced by a wage per hour payment disrupts the even flow of purchasing power within the dominion, foments a feeling of insecurity, makes it more difficult to ease over to a peacetime economy. They claim that a regular round-the-calendar income would enable planned purchasing of heavy-industry staples such as houses and automobiles as well as cheaper varieties—of consumer goods. Enthusiasts for the plan even prophesy that employers will eventually welcome the idea since it will make it possible for them to plan production on a more even keel.

While employers are wrestling with the annual wage proposal, the politicians will be juggling demands from both Labor Congresses for laws which will make some form of union shop and dues check-off mandatory parts of any union agreement. The demands will grow in intensity as the war draws closer to its end.

Want Security Laws

The C.C.L. men won a decided first round in this latest joust with the governments. At the opening of their convention they pledged support to their affiliated Packinghouse Workers who were, at that moment, expecting a general strike because of employer refusal to embody union security provisions in a cross-country agreement. That lever produced a government arbitrator with power to force renegotiations and, finally, to induce employer acceptance of the union security principle. The Trades Congress unions, many of whom have enjoyed closed shop and check-off contracts for years and many of whom saw what happened to war-born unions in the hectic post-1918, are equally interested in the problem.

Both Congresses want laws; won't be satisfied with individual interpretations of a purely wartime Federal Order such as that which averted the strike in the packinghouse dispute. And, just to make things uneasy for federal and provincial administrations alike, the C.C.F.'ers are giving widespread publicity to their Saskatchewan Trade Union Act, pointing out that it was passed as promised without any strings attached, and that, in the field of union security, it is just what the doctor ordered.

As stated above, the problem of the returning servicemen is the big unsettled issue. Speaking to the Quebec City delegates, Canadian Legion Secretary Harwig proposed a plan which would give overseas servicemen preferential seniority over any person entering an industry after the date of the ex-serviceman's enlistment. Already most union agreements insist that the seniority of any worker entering the Armed Forces must continue to accumulate while that man or woman is in uniform, thereby protecting the worker's job for the duration. But the Legion proposal goes even further and is designed to help the serviceman who had no job before entering the Services or who has learned a better-paying trade since donning the uniform.

The Legion request has set the unions thinking. Among their war-induced membership are many veterans of the last war who have taken advantage of the present conflict to improve their position. There are men and women who have been drafted into war plants but who may not find their "non-essential" job again after the war. There are servicemen of this war who were discharged, who now have jobs, but who could still be displaced by other servicemen who had enlisted earlier. There are workers who volunteered for service without first receiving a draft notice, but who were turned down for medical reasons. These groups are the responsibility of the unions and have certain rights at stake.

Both Legion and unions, however, are apparently anxious to settle the matter between themselves rather than by jousting before a Parliamentary Committee. Secretary Harwig stressed the many factors which might ease the job of reinstating returning vets; invited the unions to meet with them for the purpose of hammering out a common program. The unions, by resolution, accepted the invitation heartily. A postwar clash of group interests may be averted this time.

Political Action, as usual, provided the fireworks at both conventions and will, undoubtedly, provide many more fireworks during 1945. The detonator is the revived Communist (now Labor-Progressive) Party with its sudden post-Teheran support of status quo governments. Naturally jealous of the success of the C.C.F. in left-wing politics, the Labor-Progressives are compensating by ardent support of Mr. King and the Liberals. As supporters of the status quo, they provide a disconcerting, capable and very vocal prop for natural right wingers in organized Labor.

No Great L.P.P. Success

Directed by Labor-Progressive Party Trade Union Chairman, Joseph Salsberg, M.L.A., the L.P.P.'ers who attended the conventions played down the glorification of Mr. King. They concentrated upon a straight anti-C.C.F. line at the C.C.L. rally but could not rally enough support to overthrow the Congress Political Action Committee which was chaired by arch-C.C.F.'er C. H. Millard.

At the Trades and Labor Congress convention, the L.P.P.'ers were more successful, in that that body gave no support to the C.C.F. It had never done so in the past, however, so that was not a victory of great dimensions. The solution, probably proposed by non-partisans and accepted finally by both C.C.F. and L.P.P. supporters, was the formation of a Trades Congress Political Action Committee which would parallel the C.C.L. Committee. This step, a departure from A. F. of L. policy as evidenced in the U. S. Presidential election when the A. F. of L. did not duplicate the C.I.O.'s PAC, merely postpones the showdown.

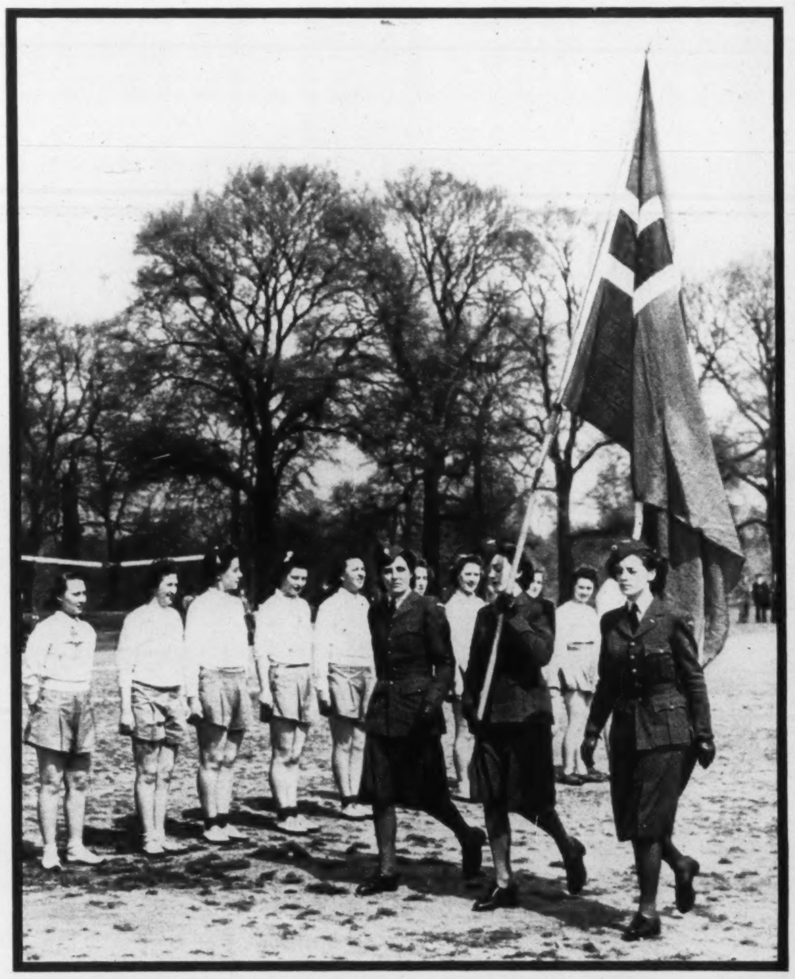
The C.C.L.'s Committee has gone ahead with its plans. A program of proposed legislative reforms covering a wide field has been drawn up and has been submitted to all political parties. Local unions are being urged and organized to have all members down on voters' lists and out to the polls on election day. There is not much doubt that the C.C.F. will be the only party to accept the C.C.L.'s proposed program of action without a lot of hedging. That will fit in nicely with the C.C.L.'s endorsation of that party once a federal election is announced and the chips are down.

The Trades Congress, assuming that its Political Action Committee follows a similar course of action, will then have to face the ticklish question of candidate endorsement. What will happen then is anybody's guess. Between Liberal-L.P.P. and Progressive Conservative cross-currents and C.C.F. eddies the Congress officers will be hard put to steer in a smooth channel.

British Commandos interrogate a prisoner taken in one of many raids on the Albanian coast. Both Commandos and Allied paratroopers have been instrumental in liberating Durazzo, the Adriatic country's chief port.

Mud Flies as Women Battle --- But It's All in the Game

Women of the Norwegian Air Force and R.C.A.F. girls are at war. No, don't worry, the Allies are not fighting each other. It's just a "mud football" match, the name given to Norway's national game, now very popular in the Canadian Women's Services stationed in England. Played on a soft pitch, it appears to be a mixture of rugger, soccer and net ball, and is, to say the least, exciting, judged from the expressions of these Canadian rooters. Before the game, staged in Hyde Park, the Norwegian W.A.A.F.s paraded their flag past the Canadian team. (Photo below.)



Interested spectators were Air Vice-Marshal V. R. Anderson, R.C.A.F., and Rear-Admiral Riiser Larsen, C-in-C Norwegian Air Force in England.

Let's Have Immigrants And Not All Farmers

By GWETHALYN GRAHAM

The author of "Earth and High Heaven", this season's great fiction success, and of the less known but also important "Swiss Sonata", Gwethalyn Graham is a Canadian who writes fiction because she knows it is the most effective means of getting ideas into the public mind. A hater of every kind of race prejudice, she is convinced that considerations not only of humanity but of economic interest dictate a generous immigration policy for Canada.

ONE of the greatest vices of the English-speaking people of Canada is their apparently incurable habit of thinking in terms of England and the United States. Purely Canadian problems which actually require purely Canadian solutions are viewed in the light of English and American experience, and either pronounced insoluble, or subjected to some watered-down, second-hand treatment which often either accomplishes nothing or makes matters still worse.

Among other striking examples of this failure to tackle our own problems in our own way was the attitude of the vast majority of people toward the admission of immigrants during the nine crucial years before the present war. It was assumed that the Canadian economy is similar to that of England and the United States, and that the Canadian depression was just like the American and English depressions. In admitting immigrants we would simply be adding so many more unemployed, and that was that. As a result, for those nine years and particularly from 1935 on, Ottawa was able to get away with an immigration policy which was no policy at all, and which produced some of the most stupefying decisions which any Government has ever had to its discredit.

Bumbling

One example will perhaps be sufficient: One of the great glass manufacturers of Czechoslovakia arrived in Canada with capital amounting to almost a million dollars, and applied to Ottawa for permission to establish a factory which would start by employing not less than nine hundred Canadians. As the manufacture of fine glass is a highly technical job, the Czech asked Ottawa to allow him to bring over one key worker from his old factory for every ten Canadians employed. Ottawa said no. The manufacturer then opened a plant in which all the workers were Canadians with little or no experience, and after two months the place closed down. In order that a hundred Czech refugee artisans might be kept out, nine hundred Canadians stayed on relief.

This, and innumerable other similar instances, may look like ancient history now, but they are not. There is another and worse depression in store for us, and unless, in the meantime, the Canadian people come to understand the way the Canadian economy works, then there will be little hope for that re-opening of immigration which may constitute one of the essential factors in Canada's recovery.

News from home is eagerly read by this Canadian casualty in Italy.

The foundation of our economy is the export trade. Canada is the fourth largest exporting nation in the world. Those exports fall mostly into one of three categories—wheat, newsprint, and nonferrous metals. Since the national wealth is therefore largely produced by agriculture and the exploitation of natural resources in the form of forests and mines, the Canadian economy is necessarily rigid.

This rigidity is further intensified by the railway problem. The railways required to haul our exports to the nearest port or the nearest point across the border must meet the same operating costs and require the same track mileage whether the intervening area has a population of two million or twenty million, and regardless of whether world prices happen to be up or down.

Fixed Charges a Drag

In addition to railways, our tremendous export trade has demanded a very large outlay on capital goods such as elevators, harbors, shipping etc., much of which, owing to the climate, is only in use for about half the year.

As a result, a high percentage of the national income is soaked up in fixed charges which are out of all proportion to the size of our population, but which are in fairly exact proportion to the size of our country.

In the beginning, Canada's chief business of exports is governed by the inalterable distribution of soil, forests and minerals, and in the end it is largely governed by world prices. Only in the middle stage, where eleven million Canadians are carrying a load better carried by at least twice the number, are we the masters of our own economic destiny.

The depression of Canada, where almost half the population is more or less dependent on agriculture for a living, and as opposed to the depression in such heavily industrialized countries as England, the U.S. and Germany, appears to have been to a large extent the result of a lack of demand for agricultural products in world markets, reacting upon an economy already rendered both weak and inflexible by the lack of demand for capital goods inside Canada, coupled with disproportionately heavy fixed charges. Under peacetime conditions, the Dominion needs more consumers and needs them badly. Whether those consumers—or immigrants—should necessarily be confined to prospective farmers is highly questionable.

Don't Need Farmers

Canada is already 198% self-sufficient in food-stuffs, compared to England, for example, which is only 25% self-sufficient. The Order-in-Council passed in 1930 limits immigration to a trickle of would-be farmers with sufficient means to support themselves for a considerable period. Owing to the almost universal delusion that, in times of depression, immigrants either add to unemployment or actually take jobs away from native citizens, the Order which practically closed immigration met with almost no opposition then or later.

This theory that more people mean more unemployment rests on the assumption that there is an exact proportion between population and the number of jobs available. In examining a fallacy, it is often helpful to turn it around and see what happens. Turning this particular fallacy around:— If such a definite relationship exists, and since throughout the depression years Canada, with a total population of eleven million, had somewhere around a million on relief, then by contriving to get rid of that million, we should have been free of unemployment. This follows logically—if you increase unemployment by adding people, you should be able to decrease it by cutting down on the population. Since no one but a lunatic would argue that Canada, from 1929 to 1939, was overpopulated to the extent of almost a million human beings, there is obviously something wrong somewhere.

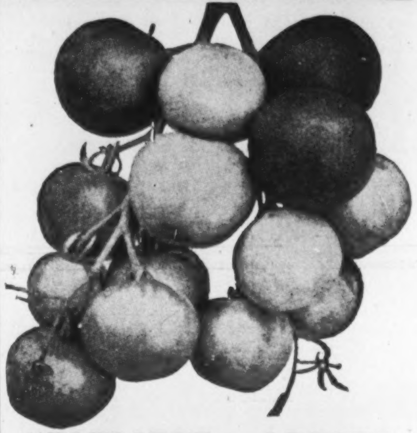
In actual fact, the balance between population and available jobs is at no time fixed, but constantly shifting. There is a variation not only between countries, but between different localities within a country. It is not possible to state categorically, even under the worst conditions, that if you have ten people in a village, one will be on relief, or if you have two hundred thousand in a town, twenty thousand will be unable to find work. The ratio is indefinite.

Raise Employment

On the other hand, under the capitalist system, the farmer usually produces more than he consumes and the urban worker less. Among city and town dwellers, only those in the upper income brackets actually pay their own way. Families of four and five living on anything from $15 to $30 a week cannot pay the entire cost of their share in capital equipment such as roads, electric light, transportation and other public utilities—the balance is made up by those in the higher income class and by reserve capital accumulation.

In overcrowded England, forced to import 75% of her food, the admission of large numbers of refugees from Hitler's Third Reich actually caused a drop in *English* unemployment figures. The same result was observed in Palestine. In both countries it was found that *the demand for capital goods created by large-scale immigration exceeds the amount which the immigrants can produce, and even under the worst conditions of depression, a static or actually contracting economy becomes dynamic.* In other words, during a depression, things either stand still or slide backwards. The problem is to get them moving forward again. A war is one way of doing it; large-scale immigration is another, but present conditions of prosperity are temporary and artificial, while a steady increase in population over a period of years would help to take up some of the slack in both agricultural products and capital goods, and at the same time rebuild the national economy on a more independent and flexible basis, with a better balance between industry and agriculture.

As a nation, we are like a very small family struggling year after year, and going further and further into debt, in the increasingly unsuccessful effort to keep up an establishment far too large for us. There is no particular reason why we should be entitled to more room than almost anyone else, and conditions in this world are not such as to give any guarantee that we are going to be able to get away with our dog-in-the-manger policy indefinitely. Sooner or later we will either have to open our doors or go out of business. Let it be sooner, for our own sake.



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THE LIGHTER SIDE

Good-bye, Nineteen Forty-Four; Welcome, Nineteen Forty-Five

By MARY LOWREY ROSS

NOW ends amid the rocket's roar
The turbulent year of '44.
A year of battles and invasions,
Bombings, assaults and liberations,
A year of blizzards, floods and rains
Of earthquakes and of hurricanes,
Of rations, shortages and dearths,
Portents and signs and multiple births.
Oh the strangest year of history
Was 1944, A.D.,
As fanciful as a rocket-trip,
As wild as a Superman comic strip.

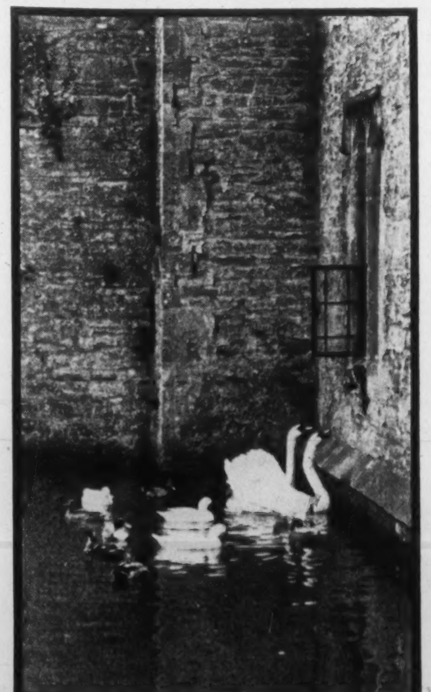
AH, WHERE are the causes that once engaged us?
And the faces that yesterday enraged us?
Now blows the wind from another quarter,
And someone's mislaid the Atlantic Charter.
Now nobody cares what happened to
The Twenty-Two Points of Colonel Drew;
And nobody bothers about the fates,
Of Yesterday's public reprobates—
Laval, Petain, and Lord Haw Haw,
Ciano, and his Father-in-law,
Men of cunning, Men of Thunder,
Impartial Time has shovelled them under.
Where now is that ardent commentator,
The Reliable Exterminator?
And doesn't it strike you as even queerer
That nobody seems to miss the Fuehrer?

WHAT a year! Ah, what a year!
With Revelations,
Resignations,
And editorial fulminations;
With shaken faiths and cries of "Shame!"
And Votes of Confidence just the same;
With plenty of money and no way to spend it;
A broken-down car, and nobody to mend it,
With permits for drink and no way to get tight,
With cash for the rent, and no landlord in sight;
With nothing to warn us politicALly
When friend turned foe, or foe turned ally;
With rockets filling the shattered air,
And fighting, fighting everywhere.

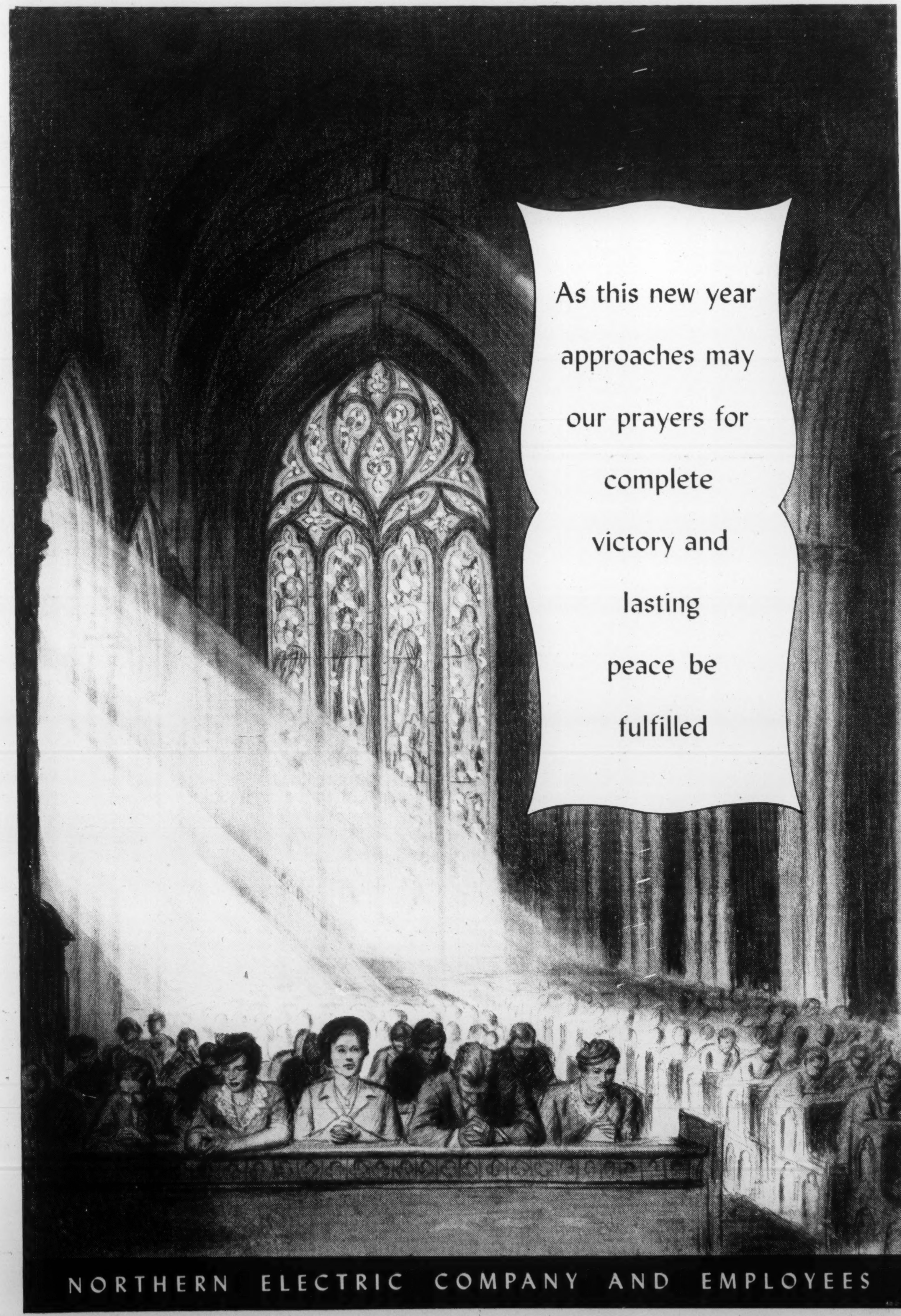
THE Race, in Nineteen Forty-Four,
Fought as it never fought before.
Some fought with bayonet and bomb,
And some just stayed and fought at home.
Some fought abroad with Freedom's forces,
And Actor Hall fought both the Dorseys,
While bobby-sockers fought to batter a
Path to the feet of Frank Sinatra;
And many a fearful blow was dealt,
When Dewey fought with Roosevelt;
And fury, rage and insults showered
When Brooklyn fought with Noel Coward.
We fought Inflation,
Isolation,
And Less-than-Total Mobilization;
And day by day the strife expanded
To every corner of the planet.

THE task of killing and surviving
Left little time for peace-contriving,
And few the future can forecast,
Or even clarify the past.
The doings at Dumbarton Oaks
Are far from clear to common folks.
And was it gold or was it goods
They figured out at Bretton Woods?
We're baffled by the Postwar Plan
Emerging now from Teheran.
Will folks across a foreign border
Appreciate our sense of order?
Will eloquence allay their fears?
Oh say, can Winston
Throw any hints on
How to Win Friends and Influence Spheres?
And who will hold the boundaries strict
When Spheres of Influence conflict?

WELL, the year has gone and we're still alive,
So Welcome, 1945.
A brave New Year that may end our troubles,
And still the voice of Dr. Goebbels;
Clear the air of battle smoke;
Usher out the Herrenvolk;
Usher in the Common Man;
And institute a new World Plan
With nations free to rule themselves,
And customer's goods on all the shelves;
With shoppers kind and salesgirls willin';
With helicopters; with penicillin;
With all the troops safe home again,
And Peace on Earth, Good Will towards Men.



Smart Birds! These swans in the moat of the Bishop's Palace, Wells, Somerset, ring a bell for their rations.



As this new year approaches may our prayers for complete victory and lasting peace be fulfilled
NORTHERN ELECTRIC COMPANY AND EMPLOYEES

THE OTTAWA LETTER

Canadians Must Learn That Aid To Britain is Aid to Canada

By G. C. WHITTAKER

OUR Letters for several weeks have been devoted exclusively to reports on the question of army reinforcements and the issue of conscription attaching thereto. We hope you will not have concluded from this that no other matters have been engaging the attention of your servants at Ottawa. The fact is that during this protracted interlude of national excitement Ottawa has been going about its normal wartime business pretty much as usual. And some of the affairs with which it has been dealing are highly important.

In the early autumn Ottawa was beguiled into entering a street that seemed to be marked as a main thoroughfare of the immediate future but which, after it had been travelled for only a short distance, turned out to be for the present only a footpath with quite a narrow outlet at the end. In common with most other people the men in charge of affairs at Ottawa had listened with too willing ears to the brave words of General Eisenhower and his aides about the outlook on the European front and had paid too little attention to the wise caution of Mr. Churchill.

On top of this they were exposed to the contagion of the mood which the optimism of the military leaders inspired in the directors of the home front at Washington. They began cheerfully and earnestly to prepare, not for peace, because Japan remained to be dealt with, but for the commencement of the reconversion of our national economy to a peace basis which could begin on a fairly large scale at the end of the Hitler war.

The Optimists

Away back in early September Donald Gordon began removing restrictions from civilian operations, especially prohibitions on production of goods for domestic consumption. Minister Howe, boss of war production, had his assistants busy preparing data for an announcement as to what was to happen on the rapidly approaching day of Germany's collapse, and on preliminary steps in reconversion that would be taken during the short interval before that day. And Mr. Howe began the merging of his home front war department (Munitions and Supply) into his new postwar department (Reconstruction).

In the Department of Trade and Commerce there was hustle and bustle about getting a share of the new civilian goods that were so soon to be coming from the factories for impatient customers abroad to whom it would be wise, out of concern for the future, to show consideration. The Department of External Affairs was looking for suitable candidates for jobs as commercial rather than as military attachés. Farm Minister Gardiner was thinking more of peacetime price floors than of wartime price ceilings. Mr. King set up a new department to administer the distribution among the people of the fruits of victory. Even Finance Minister Ilsley turned to figuring in terms of tax reduction instead of tax increase.

Came the glorious failure of Arnhem. Came the stiffening of enemy resistance at other gateways to the Rhine. At Ottawa the hands of the clock that were too impulsively put ahead have been turned back. Not all the way back, because Ottawa still believes it to be the part of wisdom to spend what spare time it has in thinking of and preparing for the spring that must, however laggingly, follow winter. Mr. Howe never did make his announcement about the curtailment in war production and the shift-over to peace production to take place when Germany surrendered and which was to have brought great anticipatory joy to producers and consumers alike. His Reconstruction Department, while inheriting the qualities which give promise of a useful life ahead, is presently experiencing the disabilities of premature birth. Our trade missionaries are all dressed up but with no place yet to go and with few samples in their luggage. Worst of all, Mr. Ilsley is having to toss aside the black pencil and pick up the red again.

Canada as Creditor Nation

Perhaps the most interesting of the questions occupying the minds which direct the affairs of the nation as the old year merges into the new is a sort of in-between question which has its roots in the war but which involves highly important possibilities for the peace. It is the question of Canada's war-born status as a creditor nation and of the way in which she can best exercise this status not merely in her contribution to the winning of the war, which, other things being fairly equal, is relatively simple, but in winning for herself a necessary share in the rewards of peace. The question is probably the most significant one in relation to Canada's own interests that Ottawa will be resolving over the next two or three months.

Back in those early critical years of the war when Britain, except for the members of the Empire family who were rushing to her side, was facing the enemy alone, she sold and pawned her resources everywhere to get the money with which to buy the tools to fight. In the United States she was sacrificing industrial holdings which in prewar times had provided her with income, and using the proceeds to pay for arms. In Canada we were helping to provide her with Canadian dollars with which to build munitions factories in Canada, and buy Canadian arms, by using our financial resources to buy up British holdings in Canadian property.

The time came when all these proceeds from the sale of Britain's heritage from the past and mortgage on the future had been spent and when more arms than ever were needed, with nothing in Britain's hands with which to buy it because her own productive capacity and her shipping and other facilities were devoted to the war. Determined that the Hun must not win but as yet undetermined on what she should do to prevent it, the United States devised her lend-lease system of supplying the tools. Canada in 1942 decided also to supply Britain with the things she needed without regard for payment beyond her capacity. Parliament approved a billion dollar gift in goods to Britain. Not all of the goods were used by Britain, some being sent to her new ally, Russia. Last year Ottawa decided to spread Canada's contribution in unpaid-for goods among all co-belligerents who needed them and were short of Canadian dollars, and to call this Mutual Aid. Britain still gets the bulk of them.

Britain Pays for Big Part

Britain is buying and paying for approximately one and one-half times the amount of Canadian goods she receives under Mutual Aid. The money she uses for this comes from our payments to her for servicing our fighting forces overseas and for other services and from certain other sources such as our payments to her for her interest in war plants and the dividends from British-owned Canadian companies.

The problem that now confronts Ottawa derives from the fact that, although it is to be delayed beyond our recent expectations, the end of the Hitler war is still expected to come within our next fiscal year, for which financial provision has soon to be figured, the further fact that when it comes Britain will still be short of Canadian dollars with which to buy all the things she wants from Canada, and the still further and most troublesome fact of all that some of the things she will need will not be needed for war purposes but to assist her in her recovery from the effects of the war.

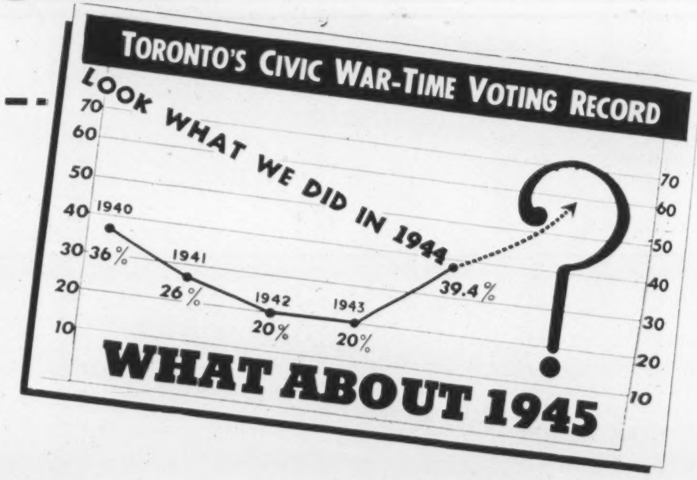
Ottawa has no thought at all of supplying Britain without charge as Mutual Aid with any of these non-war things. The crux of the matter is that the more war goods we give her as Mutual Aid (which of course include part of the foods supplied under inter-government contract) the more of her inadequate store of Canadian dollars she can divert from the purchase of additional war goods to the purchase of non-war goods or recovery goods. What concerns Ottawa is not Britain's need of these latter goods but the need in our reconversion economy of Canada's having the job of producing them.

And what concerns Ottawa even more is the almost certain possibility that if we do not supply these goods in the year ahead Britain may turn to other sources of supply for these needs, and, having established them, keep on patronizing them in all the years ahead. The magnitude of the concern may be judged from the well-known fact that Britain was our best customer in the years before the war. Long-headed realists at Ottawa don't want to do anything now that will lose Canada her profitable British market for the years that stretch into the peace.

The way to resolve the question so that Canada will have the job of supplying Britain with the goods she needs during her initial reconversion period after the Hitler war is over (a job that will keep our people employed and thus provide government revenue with which to pay for baby bonuses) and so that we shall not force Britain to turn to other sources of supply for the future is to give her for the fiscal year 1945-46 a sufficient quantity of war goods to enable her to spend a large part of her Canadian dollars on non-war goods. If we do this we make employment for our people during the reconversion period and preserve our prospect of holding the very important United Kingdom market for the future.

The question is one of self-interest, in the minds of Ottawa realists. But they are disturbed by the lack of vision of sections of Canadians who may not realize that in helping Britain we will also be helping ourselves.

Do You Think It Is Good Business to be a HALF CITIZEN?



● Last New Year's Day 180,000 Torontonians did not exercise their right to vote in the Municipal Elections. They did not consider such questions as civic health, education or taxation worth a few minutes of their time.

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As a responsible citizen do you think it right that the affairs of the city should be left in the hands of the few who voted?

As a responsible citizen do you think that the election of those who are to manage the city's business for the next year is something that can safely be ignored by the majority of the voters?

As a responsible citizen do you think there can be a truly representative civic government *without* a majority vote?

How You Can Help

If your answer to these questions is "No", then, as a responsible *full-time* citizen you have a duty to do.

It is up to you, by encouragement and by example, to get as many people to the polls as possible on New Year's Day. A phone call to your friends, a reminder to your employees, a hint to your neighbours . . . all these will help.

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Let's Have More Youth In Political Life

By QUINTIN HOGG, M.P.

The writer, a member of the British House of Commons, regrets that the average age in that House is so high. Aside from the fact that it cannot represent all the people, an "old" House doesn't promise to breed good future leadership. As is illustrated by Mr. Churchill, the outstanding British leaders have been men who entered politics and were given responsibility early in life.

London.

OF THE principal leaders of the Great Powers on all sides in this war, Mr. Churchill is the oldest. Hitler was born in 1889, Mussolini in 1883, President Roosevelt in 1882, Joseph Stalin in 1879, and Mr. Winston Churchill in 1874.

Of all the leaders he has probably had to withstand the greatest physical strain. Mr. Roosevelt is not a member of Congress, and does not have to confront gruelling Parliamentary criticism in addition to the burdens of office. Mr. Stalin has not had to undertake any of those burdensome and risky journeys by air half across the world in order to consult with his colleagues in other countries. Hitler and Mussolini have had compact and centralized territories to administer.

Mr. Churchill alone, before taking any decisive step, has had to consult not merely with the leaders of the greater Allied nations, but oftentimes with the Governments of the Dominions, and with the exiled European Governments as well, and after that has had to justify the whole complicated system of compromises which has resulted to a critical and not always united House of Commons.

In the calmer nineteenth century longevity among Prime Ministers was the rule rather than the exception.

Gladstone presided over his last Cabinet at 85, which would give our Prime Minister another fifteen years of Parliamentary leadership. Disraeli only began his one full-length administration when he was 70—in the same year, 1874, as that in which Mr. Churchill was born.

Palmerston Was 80

Lord Palmerston was still Prime Minister and in the best of health when he was 80, and the Speaker of the House of Commons who happened to dine with him during that year noted that the old man ate two large plates of turtle soup, a pâté, two singularly greasy entrées, a plate of mutton and "the largest and the hardest slice of ham that had ever figured on the table of a gentleman."

Mr. Churchill is another of the physically robust, but it is to be hoped that for the sake of Britain he will leave Lord Palmerston's record as Prime Minister unchallenged in this last respect.

During recent years there has been an almost universal movement in favor of early retirement in most of the professions. The tendency of elderly gentlemen to regard themselves as indispensable is the cause of this, and in some professions notably that of teaching in some of the best-known schools, the compulsory retiring age is fixed as low as 55.

The job of Prime Minister or Parliamentary leader of a great party, however, is one that puts so high a tax on the physical and mental powers of the holder that it is hardly likely that it will be held after mental or physical capacity has failed.

The Prime Minister has signified his intention of trying to lead us at least over the difficult period of the war with Japan and the transition from war to peace, and so long as he is alive and willing to serve it is unlikely that the Conservative Party will look elsewhere for a leader.

The fact is that the duration of mental and physical capacity is one of the hardest things about which to dogmatize. As a youngish man I have always thought that the average age in Parliament is much too high. The average age at present in Britain is over sixty; it is not growing less; and a House of Commons can hardly be representative of a people if it is selected almost entirely from among the representatives of one, disappearing, generation.

But the real test is not age, but suppleness of mind, and experience.

The great political geniuses of the past have nearly all conformed to one of two main types; either they have been extremely young when they attained leadership or they have had a very long apprenticeship in responsible positions. The type that never does any good in politics, and of which we have far too many examples in public life, is the man who comes to it late as a sort of hobby to cheer his declining years and stays on until he dies. You cannot teach an old dog new tricks, and you cannot pump political ability into a man who starts politics long after he has reached middle age.

Pitt Classic Example

William Pitt is the classic example of the statesman who succeeded extremely young. He was Prime Minister before he was 25. Mr. Churchill, Disraeli, Gladstone and Palmerston are examples of the other type, the professional statesman of genius who goes on slowly improving throughout a long apprenticeship and finally reaches a superb maturity at an advanced age.

Mr. Churchill is really the supreme proof of the wisdom of giving responsibility to young men. His unequalled value to the country today is due as much to his superb experience of office in almost every department of State as to his continued suppleness of mind and moral energy.

He was a Member of Parliament before he was thirty, in office as Under-Secretary of State for the Colonies when he was thirty-six, had been President of the Board of Trade, Home Secretary and First Lord of the Admiralty before the last war, and has since been Minister of Munitions, Secretary of State for War and for Air, for three years each, and Chancellor of the Exchequer for five years.

I like to think that the final and perhaps the most valuable period came in the ten years after 1929, when he was out of office and was able to bring the fruits of his long experience to their ripest maturity by reflection and by the study of history, which he was compelled to make in order to write the life of his ancestor, the great Duke of Marlborough.

Let anyone who thinks that the example of Mr. Churchill is an argument against young men in politics or in office think again. He is the supreme example of the necessity of beginning young if you would excel in anything, and of staying young if you do not wish to outstay your welcome.

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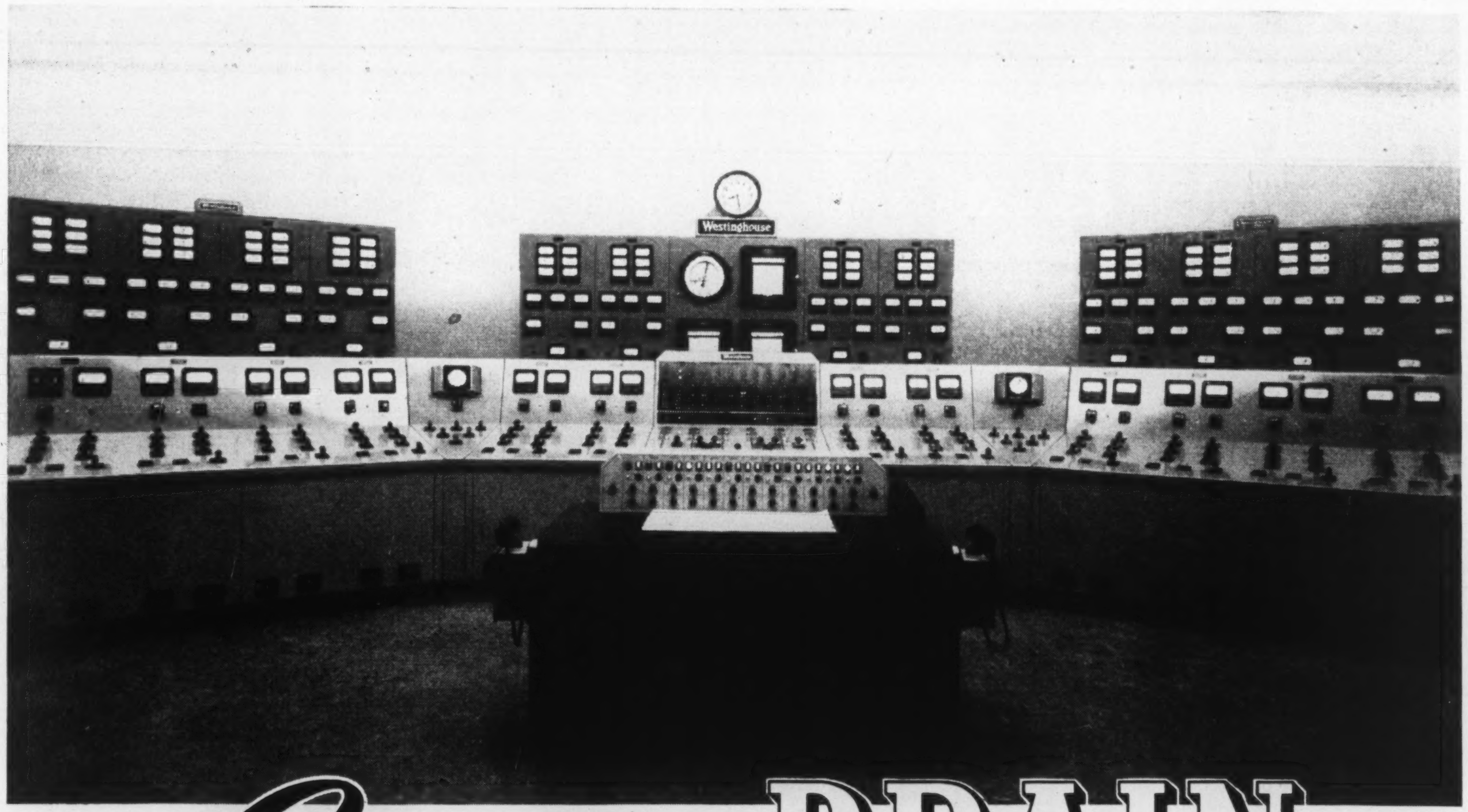

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Business With Russia Should be Plentiful

By RAYMOND ARTHUR DAVIES

On the strength of his observations in Russia, Mr. Davies takes an in-between stand on the prophecies currently being made on our business prospects with the Soviet after the war. He does not think it will come near the billion-dollar mark. Neither does he think it will go as low as the fifty or seventy-five million dollars which more conservative sources estimate.

Russian acceptance of Canadian materials, he finds, is good, and there is a general desire to trade with Canada.

This is the first of two articles on Canadian-Russian trade prospects by Mr. Davies.

SINCE my return to Canada I have addressed more than 25 meetings in various cities coast to coast and have spoken before every type of audience. I have related experiences of the past year in Russia at dinners of the Canadian and Rotary clubs, I have spoken to business men and labor leaders, I have talked to women's clubs. And almost everywhere the questions that seemed to interest the public most have been: "Can we do business with Russia?" And: "How much?"

And as I recollect it now, in Russia people repeatedly inquired: "Can we do business with Canada?" "How much?"

What about this business with Russia?

I must confess that I am not one of those who thinks of Canadian-Russian postwar trade in terms of one or two billion dollars a year. We must maintain a sense of balance here. But on the basis of facts known to me it seems that our trade volume with Russia should easily reach $150,000,000 or even $200,000,000 a year after the war. This is more than we sold to Russia in all the 60 years of our mutual trade relationships.

My opinion is not shared by everyone conversant with the postwar trade picture. Thus I have learned from reliable sources that certain Bank of Canada officials believe the above figure fully realizable. On the other hand, our diplomatic quarters and the Department of Trade and Commerce seem to accept a lower figure of $50,000,000 or at most $75,000,000.

I have no special sources of "inside" information, nor after only one year's stay can this correspondent claim the title of being an "expert" on Russia. Nevertheless I do know what I have seen and what I have heard. And this leads me to conclude that Russia *needs* many of our products. More than that, we can say with certainty that Russia *prefers* many of our products to those of other countries.

Russian Views

Just before leaving Moscow for home I was asked by the Wartime Information Bureau to obtain information concerning Russian views on our products. With the kind assistance of Ambassador L. Dana Wilgress and the office of Anastas Mikoyan, the Commissar for Foreign Trade, I was given the opportunity (first and only of all correspondents) to visit plants using Canadian products. During my visits to the plants I was permitted to speak to *anyone* I pleased and ask *any* questons I wanted.

My first visit was to the huge Elektrostal works near Moscow which uses our nickel supplied by the International Nickel Company through the Government. The plant occupies a huge area and before reaching the director's office we drove through a maze of auxiliary structures and workers' homes for more than fifteen minutes.

The director, Mikhail Egorovich Korseshkov, heavy set, efficient looking, and only thirty-nine years of age, was all smiles when I and my guides came in.

"Very pleased," he said as we sat down. "Very pleased to meet a representative of the country that sends us one of our most vital, most valuable metals."

"What do you make in this plant, Mr. Koreshkov?" I inquired.

"Instrument steels," he replied, "rustless steels, acid resistant steels—steel alloys of every kind. Most of our raw materials are domestic. But much of the nickel we get from you in Canada. With it we make stainless steel alloys and nickel chrome steel. The Germans have cause to know your nickel in the alloys which make our tanks so impregnable."

"What about this nickel," I went on, "I am sure our people and especially workers and management of the nickel mines and smelter in Sudbury would like to know what you think of their product?"

You can tell them," Koreshnikov replied, "that your nickel is very good. It is clean. It has a very small percentage of impurities. It is packed so well that we use this as example to all our industry. It is excellently documented. We know exactly what we get when your nickel comes. But . . ."

"There's always a but," I laughed, "But what. . .?"

"But . . . although your nickel is fine and we 'love it' we haven't enough of it. We should like to have more, much more. We have the capacity and the need. If only you people could send us more nickel we could kill more Germans, bring war to a more rapid conclusion, rebuild our country more quickly."

I asked whether the workers knew the nickel came from Canada. "Certainly," he replied. "Ask for yourself when you examine the plant."

Soon I found myself walking through the interminable shops of this, one of Russia's largest alloys plants, not a new plant by any means.

Nickel Appreciated

At the furnace room I stopped to talk to shop superintendent Andrey Martinovich Mikelson. "What do you think of our nickel?" I inquired.

"Very good stuff, your nickel. Very good. We watch it like the apple of our eye. We are always amazed to see one keg so exactly like another. Grain for grain. Good steel comes from Canadian nickel alloys. We use it sparingly. We feed it only into the best alloys. But there's too little of it. If only we could have more!"

In furnace room Number 2 I saw some of our nickel. There was very little on hand. "Just a small supply," the director confirmed my thoughts. "Last night we had to awaken the Foreign Trade Commissariat people to get them to do something about it. We must have nickel!"

In this plant I also saw carborundum wheels made from Canadian grain. "We get the abrasive grain from Canada," Koreshkov told me. "It is worth its weight in gold."

A few days later I was whisked off to one of Russia's largest aluminium rolling plants located near Moscow. Both name and location of this plant are on the secret list.

For the first time I saw a truly modern plant in Russia. And the director's offices were no less luxurious than those of any big business man in Canada. Inlaid wood work. Blonde inlaid furniture. Deep, overstuffed chairs. A long oval conference table of wooden mosaic. The usual battery of telephones—plant, Moscow, Kremlin.

The director, Alexander Feodorovich Byelov, a handsome man in his middle-thirties was waiting for us. He introduced his assistants and told me that most had been in America and many had passed through Canada—Buffalo to Detroit. From what they had seen, they said, they like Canada.

Big Need for Aluminum

"And we like Canada even more for what she sends us," one of the men said, "For her Aluminium."

I complimented Byelov on his modern plant. "In my turn," he retorted, "I wish to compliment you on the high quality of the aluminium your country sends us. It is fine, clear metal with a very low percentage of iron. We know what we get when we receive your aluminium and its purity makes it possible for us to utilize it for mixing with our used metal, of which we have so much, as you probably have seen."

Byelov told me later, as we walked through his astonishingly clean plant for which apparently only blondes were picked to work, or so it seemed, at any rate, that he and his associates are already working on postwar plans for aluminium. "We shall have great need for your aluminium," he said, "even though we plan to expand our own production as well."

"What will you make? More planes?"

"Yes, planes," he said, "transport planes, and streamlined trains, and aluminium dishes and utensils. How our country hungers for these. We shall have no cause for slacking our work after the war."

Everywhere in the huge shops were streamers "Long Live the Victory of the Anglo-Soviet-American Fighting Coalition Over the Enemies of Mankind, the German Fascist Invaders."

Together with the girl mixer "boss" and superintendent of the electric smelting department, Alexander Ivanovich Mukhin, we watched cranes bring platform-fulls of Canadian aluminium pigs with familiar markings.

"Ekh, good metal," Mukhin exclaimed, as we watched the metal going into the red hot electric furnaces. "Good metal, you send us. But little and a little expensive."

There was a good investment of good will here, already made by Canada and her industries. But the fame of other products is getting about, too. The Russians want to buy. They have placed some orders. They are shopping around for more. But many questions are still unsolved. For example: will they buy machines and raw materials or manufactured goods? If both, what will be the proportion of either? And of the manufactured goods what will they want that we can sell?

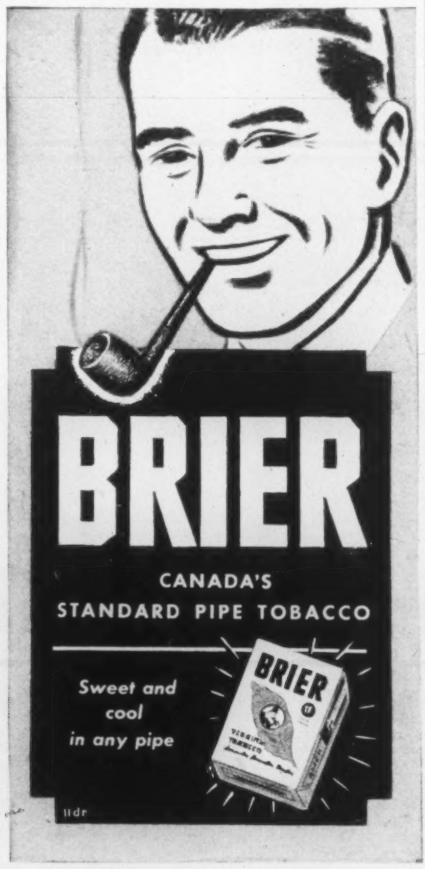
They need everything. *But they will not buy everything.* As much as they can they will try to pull themselves up by their own production bootstraps. They will buy essential things: electrical equipment; electric furnaces; machine tools (new and slightly used); railway equipment—rails and locomotives, semaphores and whole block signal systems; automotive equipment; ships, tugs and launches—river and ocean.

And for the first time they will buy huge quantities of certain manufactured goods—but probably only for the first few postwar years—clothing, cloth, leather, shoes, wool and woollens, stockings.

Also they may keep on buying food—wheat for their far east (we are almost as close as western Russia), cheese, even butter.

The *If* comes in here. They will buy more *if* we fight for business. Otherwise our friendly American competitors will take this market.

The intense nature of the fighting as Allied troops in Western Europe struggle to hold their lines in Belgium is shown in the face of this British Tommy in a forward position. His face is wet with perspiration.



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THE LONDON LETTER

War Savings May Turn Britain Into a Land of Penny-Savers

By P. O'D.

FIVE years ago Lord Kindersley and his associates began the War Savings campaign. I don't suppose that even he, in those early days of the war, realized what this campaign was going to grow into, and what immense sums were to be raised by it—more than £8,300,000,000! It has been one of the most impressive and most vital features of the national effort.

Probably the most significant aspect of this gigantic contribution is the amount that has come from small savings, the direct contributions of the people. Through Savings Certificates, Defence Bonds, and deposits in the Post Office and the Trustee savings banks, £3,200,000,000 has been raised. From the little people, remember, who have scraped and laid by for the purpose! Some 17,500,000 of them hold Savings Certificates. More than 18,500,000 have accounts in the Post Office Savings Bank, and another 3,500,000 in the various Trustee savings banks. It is a really astonishing achievement in national thrift.

The British people as a whole have never been regarded as especially thrifty—with such notable exceptions among them as the Scotch, who have established an international reputation for canniness. A not altogether deserved reputation, I may say. Some of the most prodigally careless people I have ever known have been Scotch.

Certainly the average English working-man is not thrifty. The wisdom of laying by for a rainy day seldom seems to occur to him—feeling perhaps that it isn't much use in a country where it rains nearly every other day. But all this war-saving may have a very salutary effect on national character in this respect. Thrift is not a lovely virtue, but just now it is a necessary one.

Saving money is like every other habit. It grows with exercise. A man or woman who has for five years been putting aside a little money every week as a member of a Savings Group—there are more than 300,000 of these groups throughout the country—or individually for the purchase of certificates or deposit in the Post Office Bank, may well go on doing it, even when the money is no longer needed for the war-effort. It is to be hoped they will, for the peace promises to be hardly less expensive than the war. Lord Kindersley and his colleagues—all credit and honor to them!—seem to have taken on a life job.

Moslem Shrine in London

London has two small mosques, and just outside London at Woking there is a larger one, plainly visible from the Southern railway line. More than once going past on the London train I have had the good fortune to catch a glimpse of turbaned worshippers assembling or dispersing there, thus giving an oddly oriental effect to the English suburban scene. There are in addition several other mosques scattered about the country in cities where Moslems congregate.

It has, however, been felt for a long time that there should be, preferably in London, a great Moslem shrine, a sort of cathedral mosque, with buildings which would serve as a centre of Islamic culture. That hope of British Moslems seems now to be in a fair way towards realization—after the war, like most other things. Last week the King visited the chosen site on the edge of Regent's Park, which has been donated by the British Government for the purpose.

In case this may seem to some of my readers rather a lot of fuss to make about a new place of worship for British Moslems, it is well to remember that there are more Moslems in the British Empire than in any other country or political group, and that his Majesty has indeed a great many more Moslem subjects than Christian—a matter of some 20,000,000 more! It is therefore no mere piece of royal courtesy that he should show a personal interest in this new central mosque. He is the chief Moslem ruler.

£9 Home Guardsmen

Now that the Home Guard has at last "stood down"—not to be called upon again until the Victory parades, let us hope—that earnest group of statisticians, the Select Committee on National Expenditure, has been busy figuring out how much this civilian army has cost the country in cold cash. I don't know why cash should nearly always be so cold, but apparently it is.

Statisticians are also apt to be rather a chilly lot, and this particular group of them are especially frigid and suspicious. It is part of their job. But even they are forced to admit that the Home Guard, financially speaking, has been most economically administered—at an annual cost of about £9 a head. Surely the cheapest army ever raised on so gigantic a scale!

Shakespeare Booming

War and Shakespeare seem to go together. It isn't merely that in wartime there is apt to be a dearth of good material for the stage, and so the great classical dramas are brought out to fill the gap. In such times as these people seem really to feel the need of Shakespeare. He matches the public mood. There is a wide and eager demand for nobler fare than our clever little plays of today, a demand for richness and color and force, for glorious verse, for superb character and action. And where else are these to be found to anything like the same degree?

Just now in London Shakespeare is having a boom unequalled since the Napoleonic wars and the great days of Edmund Kean. We haven't a Kean, it is true, but we have Laurence Olivier in "Richard III", and John Gielgud in "Hamlet"; and both of them are playing to such packed houses as not even Kean enjoyed. As it happens, these two roles were also Kean's most popular performances.

Artistically there is perhaps no comparison—an Edmund Kean happens only once in a century or so—but both Olivier and Gielgud are fine and conscientious actors. They thoroughly deserve their success. The public is rightly eager to see them. But even more important and significant is the fact that the public is eager to see Shakespeare. Only why wait for a war?

Honor for The Times

From all over the world—except for a curious silence in Berlin and Tokio—congratulations are being showered on *The Times*, which recently published its 50,000th issue. And "The Thunderer", a modest blush mantling its majestic visage, published as many as possible of them. Not unaware, of course, that congratulations are really in order. No other newspaper in the world can point to such a record. It is one in which newspapermen the world over can take an honest pride.

It is a long road since that New Year's Day, 1785, when Mr. John Walter, printer, brought out *The Daily Universal Register*. Three years later the name was changed to *The Times*, and *The Times* it has been ever since. From its humble beginnings *The Times* has gone steadily on in growing success and influence until it has been for many years, for generations even, the recognized leader of the world's Press. All honor to it, and to the great editors who made it what it is! A kind word, too, for the mere proprietors!

Chubby Old Harrovian

A short while ago Harrovians, old and new, gathered together in the famous school on "the Hill" for one of the annual reunions that not even the war has been allowed to suspend. Conspicuous among them was one round-faced "Old Harrovian", who has hardly missed such a night since the distant days when he sat, a chubby and rather mischievous youngster, among the junior pupils. He is 70 now, but the amazing thing is that, allowing for the toll of the years, he has changed so little. He is still chubby and still mischievous, and his energy is unflagging.

Beating time with his glasses, he joined in the singing of the old songs at the very top of his voice. And then, the reunion over and the old toasts drunk and the hands of old friends pressed, he hurried back to No. 10 Downing St., to carry on with his job of running the war. People who jibe at "Old Boys" and the "Old School Tie" will get no sympathy from Winston Churchill. He is an "Old Harrovian" and proud of it. And Harrow is very, very proud of him.

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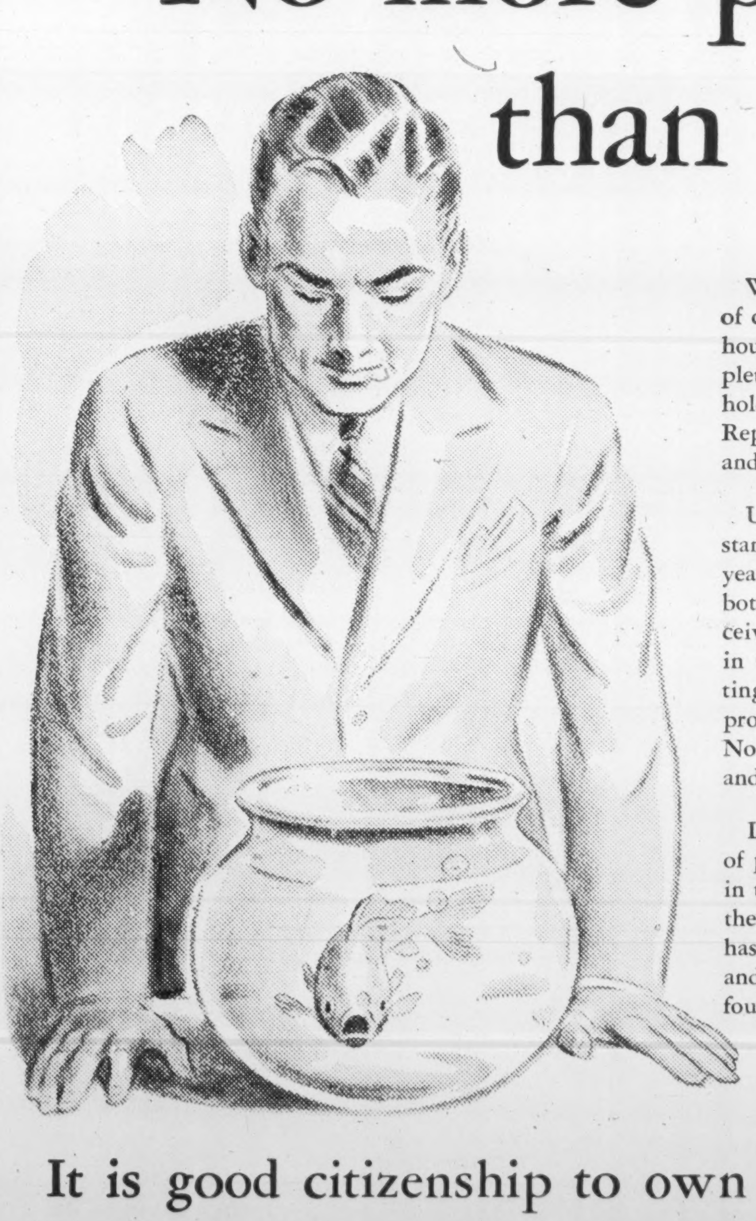

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THE HITLER WAR

2: Soviet Policy Towards Poland From July '41 to Present

By WILLSON WOODSIDE

IT IS not fashionable to criticize Soviet Russia these days, for the double reason that her heroic and sacrificial stand against Germany enables us to finish the war years earlier than would otherwise have been possible, and that she is called the great "progressive" power.

To defend the rights of an earlier and smaller ally, Poland, against Soviet claims automatically calls down on one the abuse of the pro-Soviet world propaganda machine as a "Hitlerite" and "fomenter of World War III."

What is the justification of this claim that Soviet Russia is "progressive" and "democratic" whilst Poland is "reactionary"? Before the war Poland permitted numerous political parties, and the leaders of the opposition were still alive to take over the reins when the Beck Government fell. Throughout the war numerous parties have been active, both in the Polish Government-in-exile, and in the underground parliament which has been maintained in Poland

Poland was not a perfect democracy before the war. How many of these are there in the world?

How reasonable is it to expect that Poland, resurrected from a century and a half of partition, and trying to weld together a nation from three parts raised in different environments, while sandwiched between two giant and unfriendly neighbors both in explosive revolution, could set up at once a pure democracy?

Nevertheless, there were opposition parties and papers in Poland. Soviet Russia has only one party and one press, and one place for anyone who disagrees.

Another propaganda claim is that Poland brutality repressed her peasantry. It is true, the peasants of Eastern Poland did not have an easy or a happy time. They never had. They had been left in a state of overwhelming poverty, neglect and ignorance throughout 150 years of Russian rule, and the young Polish State did not succeed in lifting them out of this during its 20 years of existence.

Were they not, just the same, relatively free compared to the millions of peasants which Soviet Russia "liquidated" or sent to prison camps? The fact needs to be told that, before the war, 81.5 per cent of the land in Poland was in small farms up to 125 acres. 15 per cent was in larger holdings, these having already been reduced by one-third by land reform measures carried out since 1919.

Mikolajcyzk is a small peasant holder, owning a few acres. Stalin dominates the entire property, as well as the lives and freedom, of a nation.

It has become the fashion of the Soviet press during the past year (we will note later the significance of the date) to denounce the present leaders of the Polish nation as "fascists" and "accomplices of Hitler." But these leaders, and indeed their less-admired predecessors of 1939, resisted Hitler and carried out an uncompromising war against him, while the Soviet Government dealt with him and sent supplies to his war machine.

No Polish Quisling has ever been found; nor have the Poles maintained any "League of German Officers" leaving open the door to negotiation with this enemy. Even after five years of frightful repression, and after the uprising in Warsaw, carried out under the leadership of their government in London, the Poles continue total resistance to Hitler and Germany.

Soviets Conciliatory in '41

The Soviets did not always take their present attitude towards the Poles. In the hour of their greatest need, in July 1941, they were glad to renew relations with them, annul the Molotov-Ribbentrop Partition Agreement, free all deportees from prison camp, and allow the Poles to recruit an army from among these and the 190,000 prisoners which the Red Army had taken in Eastern Poland in 1939.

When General Sikorski was in Moscow, in the first week of December 1941, while the Germans were pounding almost at the suburbs, he negotiated an agreement with the Kremlin for a Polish Army of 96,000 men, to be under Soviet operational control. No sooner had he left, however, when the tide of battle turned. Japan launched her war against Britain and the United States in the Pacific, freeing the Soviet eastern flank, the Germans halted their attack on Moscow, and withdrew under Red Army pressure to winter positions.

Shortly thereafter the Soviets reduced the rations available to the Polish Army to 44,000 men; and they never provided the Poles with more than skeleton training armament. It was apparent that they had changed their mind about having a strong Polish force organized on Russian soil. So the Polish Government arranged with the British to move out the men for whom no rations were available, to the Middle East. This movement began in the spring of 1942; the remainder of the Polish Army was transferred later, on Soviet request. The three-divisional Polish force which accompanied the Red Army into Poland this year was formed later by the Soviets, by conscription from the million Polish citizens still left in Russia.

"Polish citizens"—no, they were no longer Polish citizens. During 1942 the Soviets had gradually closed down the relief work which Polish representatives were carrying on among their people in Russia. Then they declared, first, that all of these deportees of 1939-41 who were not of Polish racial origin were Soviet citizens; and finally, in January 1943, that the Poles too amongst them were Soviet citizens, "by virtue of a Soviet decree of November 1939", thus harking back to the deal with Germany which had given the whole of Eastern Poland to the Soviet Union.

The basis for relations between the Kremlin and the Polish Government was being rapidly undermined. The actual break came in April, 1943, over the terrible tragedy of the Polish officers.

Eight thousand, three hundred of these had been interned by the Soviets in 1939, in camps near Smolensk. Now, suddenly, in April 1943, the Germans announced the discovery of their mass graves, with "proof" that they had been shot by the Soviets. This burst on the world like a bombshell. To the great majority of people it was an obvious German maneuver to split the Allies. We knew how capable they were of killing the Polish officers themselves and dressing up the whole affair; and the Polish Government was blamed for "falling" for this game when it asked for a Red Cross investigation.

But there was a long story behind it; and the anguish of Poland was such that perhaps the government could not have done otherwise and retained the confidence of its people, with whom it has always maintained close liaison through couriers, radio and the underground press.

A Tragic Mystery

Letters arrived in Poland from these officers quite regularly until the spring of 1940. When they stopped for weeks and months, anxiety grew and it was finally decided to send scouts to try to find out what had happened. Out of seven men, only three returned, and all they had learned were vague stories from the local peasants that the officers had been taken away, some said to Novaya Zemlya, but no one knew just where.

So the matter stood until the Poles, their position suddenly changed from victim to ally, started to mobilize their army in Russia in late 1941. Men trooped in to their camp in the Urals by the tens of thousands, but only a handful of officers. Their ambassador enquired every month at the Foreign Office, and of Stalin himself, where were the officers? One month he was told, everyone had been freed, they would turn up all right. The next month, that they must have been sent to the White Sea camps, and be delayed for lack of transport. And the next, by Stalin himself, that they had been sent to Siberia, and had probably crossed the border into Manchuria.

But they could never get anything definite out of the Soviets, and it was only after the German "discovery" of the graves that the Comintern paper *War and the Working Classes* stated that the Polish officers had been used in labor gangs, been captured by the Germans in the swift advance of 1941, and obviously executed by them. Here was a perfectly plausible explanation. Why could it not have been given earlier? What did the evasions mean?

Soviets Return to '39

Instead of providing the facts which could have laid the German accusation and recemented Allied unity, the Soviets broke off relations with the Polish Government. They had already, in February 1943 renewed their claim to Eastern Poland through an article by Korneitchuk, then Vice-Commissar of Foreign Affairs.

Now they set up Korneitchuk's wife, Wanda Wassilevska, a Soviet citizen, as head of a "Free Polish Committee" in Moscow, the framework for the Lublin Committee which may any day now be recognized as the Provisional Government of Poland.

At Teheran, later that year, according to the very interesting revelations of Raymond Daniell in the *New York Times* and *Globe and Mail* of December 18, 1944, Stalin bluntly demanded British acquiescence in the Curzon Line and a Soviet sphere of influence in Roumania, and British support for Tito in Yugoslavia, before he would promise to coordinate his 1944 offensive with our invasion of Western Europe. The alternative stood, without need of pointing at it, in his "Free German Committee" and his "League of German Officers".

According to Daniell, attributing his information to "diplomatic sources", Molotov had sought to have a Curzon Line pledge written into the Anglo-Soviet Treaty of alliance in May 1942, but been dissuaded by Winant, who warned that this would have a disastrous effect on American opinion. When, just after the Teheran "deal", Wendell Willkie gave this same warning, that harsh Soviet demands on Poland might disillusion the American people and turn them away again from participation in the European settlement, the Soviet press counter-attacked furiously.

At this same time, too, the Soviet Government rebuffed Cordell Hull's offer to mediate a Polish settlement. Next comes one of the celebrated incidents of the war, the *Pravda* report of last January 17 that British agents had been negotiating a separate peace with Ribbentrop. Daniell is mystified by this. But I know that British official circles interpreted it as an intended "jolt."

Churchill had let seven weeks pass since Teheran (having been down with pneumonia) without coming out in support of the Curzon Line; and early in January there was a little incident in Roumania which the Soviets apparently interpreted as

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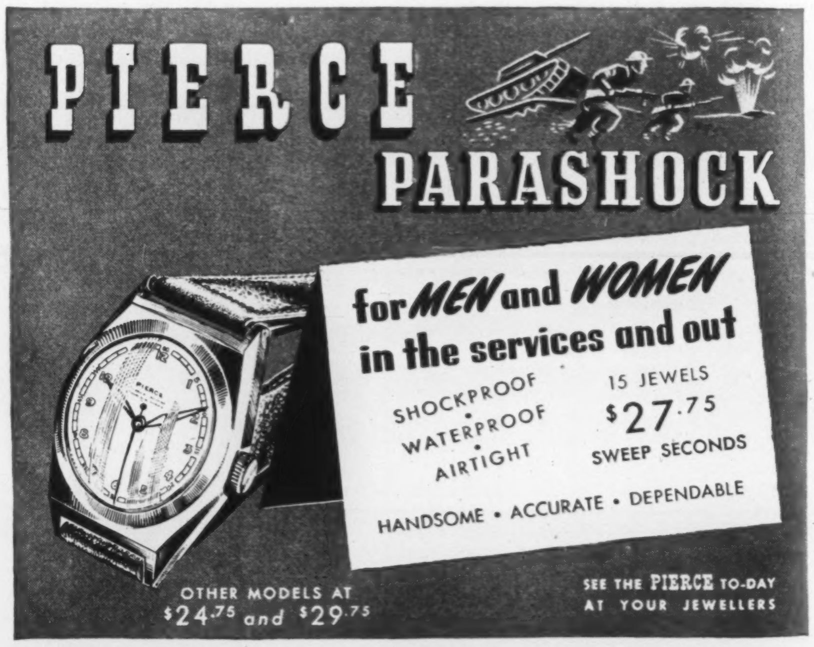
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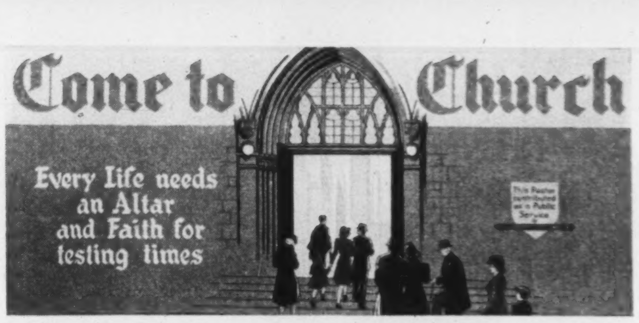
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Every life needs an Altar and Faith for testing times

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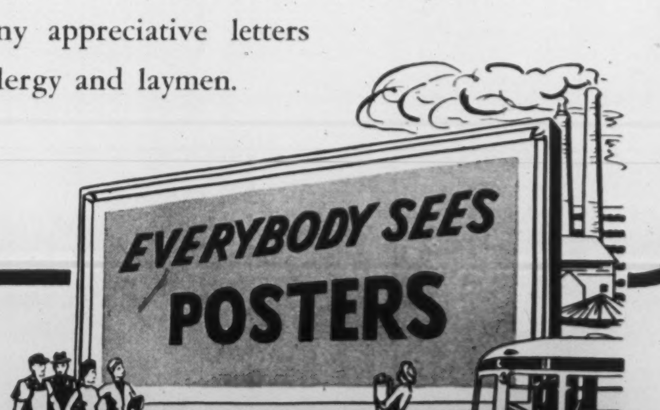

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an infringement on their sphere-of-influence rights there. The implication was clear enough, and was pointed out in these columns at the time: *we* can negotiate with Ribbentrop and let *you* try to finish off Germany by yourself, if you can. Churchill made his Curzon Line speech on February 22.

Why is it, that, with Britain's support for her demands, and her own Polish Committee set up in Lublin functioning as a provisional government, the Soviets have nevertheless persisted all this year in negotiations with the Polish Government in London? It is because in spite of their methods, they want a "legal" settlement of the boundary question, and the broader base of public support inside Poland which would be assured by the adhesion, as a minimum, of Mikolajcyzk's Peasant Party to the Lublin "Government."

The Soviets appreciate keenly the value of having the signature of the legitimate Polish authority on the boundary settlement, as a check to Polish unrest in the future and to wash this deal down with the British and American peoples.

Mikolajcyzk's Last Try

It was fairly obviously to bring the Polish Government to terms that the Soviets refused for six weeks last summer to drop supplies to the former's supporters in the Warsaw uprising, or allow us to use our shuttle bases in Russia for this purpose (the Red Army seems to have run into a quite genuine check on the outskirts of Warsaw last August.

This, then, is the background for the final attempt which Mikolajcyzk made to work out a settlement with Stalin and Churchill in Moscow, in October. He sought to retain at least the ancient Polish cities of Vilna and Lwow, as the best that could be hoped for; and it seems that his government would have conceded a good half of the Soviet demands, and signed a quarter of their territory away.

But the Soviets demanded the full pound of flesh, everything, Vilna, Lwow, and the Polish oil district of Drohobyck. They callously offered the Poles Stettin and Breslau ("are they not as big and valuable cities as Vilna and Lwow?"—except that they don't happen to be Polish), and a wide tract of Eastern Germany.

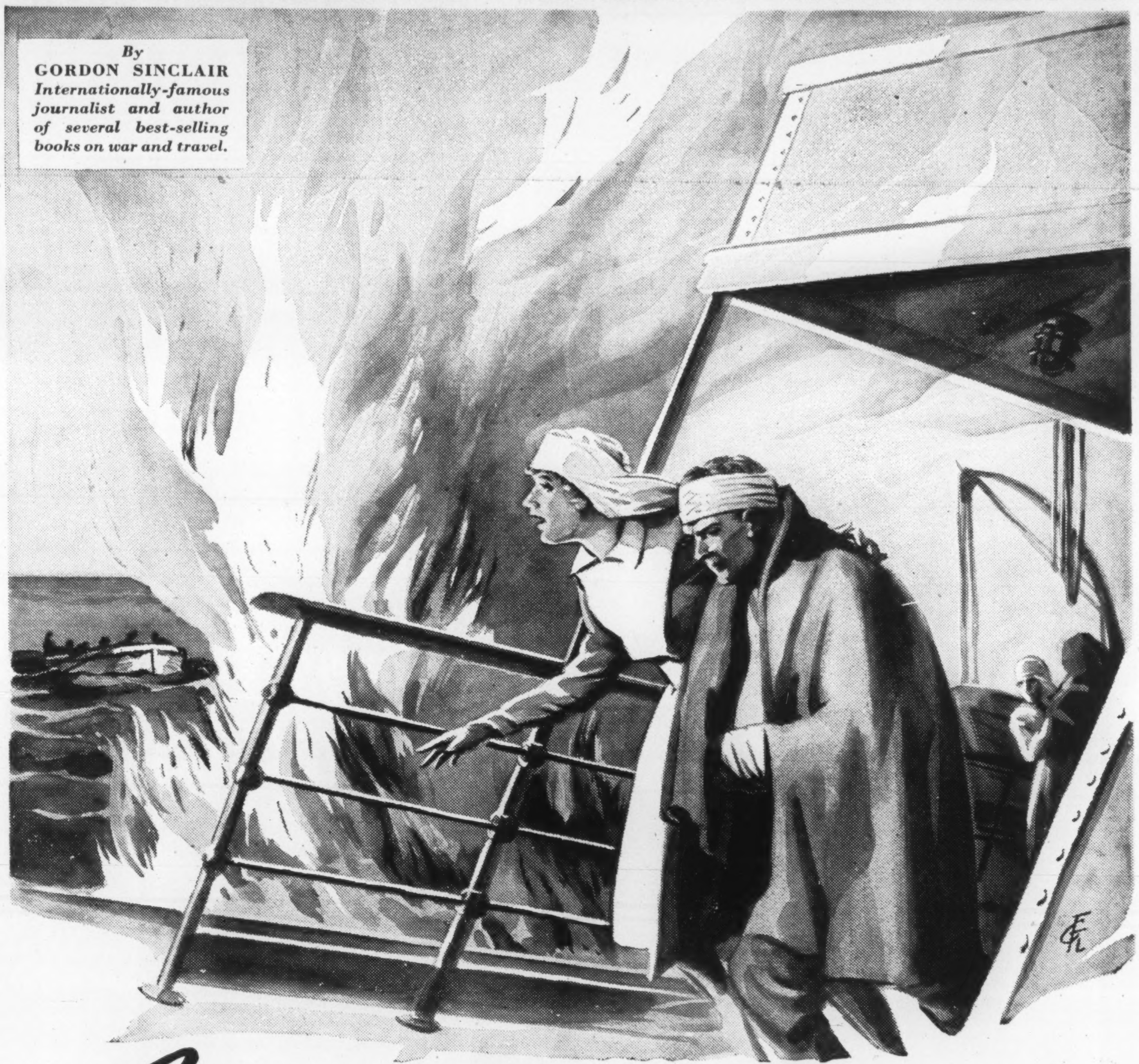
On this offer the Polish Cabinet divided. The majority argued that they had no mandate from the people to make such cession of Polish territory, and accept such dangerous compensation, perpetually subject to a German campaign of revenge. Further, they felt that without a formal guarantee of real independence within their new frontiers, a guarantee in which the United States would not join, they might be signing away half their country for nothing.

Why Churchill Spoke

That brings us up to Mr. Churchill's latest speech, a fortnight ago, reiterating his support for the Russian claims. A year after Teheran, we still face a redoubtable task in defeating Germany. Stalin's armies have been halted on the major eastern front for five months, while a politico-military campaign, which has undoubtedly weakened Germany but has also brought Eastern and much of Central Europe under Soviet occupation, has been pursued. It is not a far-fetched deduction that Stalin is demanding a final settlement of his Polish boundary claims before he strikes out again on the main road to Berlin.

From his long-held views on the essential enmity of the Western "capitalist" world towards Soviet Russia, this may seem sound procedure. I suppose he could easily convince himself that our cordial public pronouncements and the supplies we have poured in to him since 1941 represent a purely selfish policy by which we put arms in the hands of Russian soldiers to save the lives of our own. Yet he surely underestimates the friendly intentions of "letting bygones be bygones" which went with the arms and the speeches, and the need for reciprocal acts of friendship if there is to be any true co-operation between our countries for peace.

TRUE STORIES OF CANADIAN WAR HEROES



By
GORDON SINCLAIR
Internationally-famous journalist and author of several best-selling books on war and travel.

SAVED: ELEVEN LIVES!

Slicing her way through the velvet black of a Pacific night, the hospital ship *Centaur* headed for Australia with 294 wounded.

She was white, brightly lighted and garlanded with the red cross of mercy.

But at 4:10 on a July morning, the Japs smashed two torpedoes into her and started 16 fires.

Asleep was chief nurse Eleanor Savage of Northern Ontario, and with her was Helen Reid, a South African.

The blast broke Miss Reid's arm and two of Miss Savage's ribs, but the nurses hurried from bed to bed trying to get the wounded on deck.

Quickly the mercy ship listed. Sailors struggled with battered boats. Soldiers, already wounded, dove overboard.

Eleanor Savage saw that most of them were diving into puddles of oil and suffocating before they swam ten strokes.

From the other side of the stricken ship flames spurted 30 feet, but beneath those flames was safe water.

While Miss Reid used her one arm to play a hose on blankets brought by a lad of 15, Eleanor Savage wrapped wounded in those wet blankets and persuaded them to leap through the fires to safety.

Although ordered over the side herself, Eleanor Savage stayed, encouraging the wounded until the decks were awash. Miss Reid jumped before the ship settled but lost her life.

Eleanor Savage was the only woman among the 64 rescued and her citation for bravery said she had saved the lives of 11 men among those 64.

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MUSICAL EVENTS

Storm and Stress Did Not Halt Toronto Symphony Orchestra

By HECTOR CHARLESWORTH

ON DECEMBER 12, when Toronto radio stations were pouring forth the names, constantly augmented, of great local institutions that were temporarily suspending all activities except snow-shovelling, the surprising intelligence came through, that the regular concert of the Toronto Symphony Orchestra at Massey Hall would take place according to schedule. There were no signs of a let-up in the storm at the time the announcement was made, but a sufficient number of players had turned up for morning rehearsal to make certain that if they did not venture far from the vicinity of Massey Hall the orchestra could make a respectable showing.

The guest soloist, the brilliant violinist, Nathan Milstein, had fortunately arrived in Toronto on the previous day, before the storm became serious, and was within easy reach whatever happened. Few members of the orchestra faced a tougher fight in getting to Massey Hall than Sir Ernest MacMillan, living at a spot in Rosedale remote from tramlines and encompassed by drift-filled ravines. Having won the battle he did not feel like abandoning its object.

Of Concert Dress

The announcement over the air that he and Mr. Milstein were prepared to carry on brought in more and more stragglers, so that by six-thirty p.m. when the final rehearsal was called there were only about half-a-dozen absentees, mainly in the string section. Some of the women members had been reclining about the Hall all day. The problem for them was what to wear. It was agreed that the men would be all right in sack-suits, but the clothes some of the women had donned to battle their way to rehearsal were never intended to adorn the stage of Massey Hall. One indispensable young artist found herself equipped with brown slacks and a yellow sweater. However the Lord was kind. A woman friend in the audience, who had arrived so early for the concert as to hear part of the rehearsal, whipped off her frock and wore the artist's slacks until the concert was over. The audience was a surprise also; not the usual 2,800, of course, but nearly 1,000. Those who heard the broadcast remember that the applause sounded like 4,000.

That broadcast is worth keeping in memory, not only because it was in tonal quality more beautiful than the average, but because it is the standing record of an extraordinary example of discipline overcoming conditions which had caused temporary paralysis in many vast enterprises. The broadcast was in truth the reason for this amazing display of grit and of ability to play beautifully under adverse conditions. A great newspaper could suspend publication, knowing that its subscribers also were in a predicament, and would understand. But a broadcast schedule was for cities across Canada in four different time-zones. The interest of Halifax or Vancouver in Toronto's weather troubles would be very remote. Besides dislocation on the various units of the Canadian net-work could not be permitted. The most striking factor of what seems already to have taken its place as an historical weather event was unquestionably the manner in which radio stuck to its job.

A Great Violinist

Nathan Milstein has gradually won his way to a position where he is one of the most profoundly poetic and supremely satisfying violinists in the world. His playing is exquisitely limpid, passionate without undue urge, and has the loveliness of a sustained, unbroken song. He had selected an unjustly neglected work, the Violin Concerto in A minor, by the versatile Hungarian composer Carl Goldmark, who spent most of his life in Vienna. Goldmark was born in 1830 and lived until 1915 when the debacle of all he had known as an artist had arrived. There is one of his orchestral works, an overture to Dickens's tale "The Cricket on the Hearth" which I heard played when it was new by Anton Seidl. I cordially recommend it to Sir Ernest.

In the first movement of the Concerto played by Mr. Milstein the melodic delicacy of the main subject, rising to an emotional crescendo was especially moving. The slow movement was gorgeous in feeling and the delicacy and speed of the last movement ravishing. In luscious tone quality and elegance of expression the orchestra was on a parity with the violinist. An encore was permitted and Mr. Milstein gave a rendering of an Allegro by Bach, remarkable for steadiness, ease and fluency.

Sir Ernest's most interesting revival was Debussy's "Iberia" which comes near to being the loveliest of all his orchestral works. In Spain it is held to be the most successful attempt by any foreign composer to present the inner spirit of their country's musical genius. It is to the first movement, "Highways and Byways" that this tribute is especially paid. But the part of the work I love best is "Perfumes of the Night," ineffably lovely in treatment. An orchestra that after so many trials by flood and field could play Debussy so gloriously is an institution to take pride in. The elegancies of Haydn's Oxford Symphony bore no relation to the battle of the snow-plows; nor did Brahms' jocund "Academic Festival."

The second T.S.O. concert of the week was part of the "Pops" series, and the chief episode was the rendering of Tschaikowsky's First Pianoforte Concerto in B Flat minor, in which the Cleveland pianist Leonard Shure had, some weeks previously, scored emphatic success with T.S.O. in Hamilton and London. Mr. Shure is a vigorous, magnetic executant, with the big tone and the sure command of the bravoura style which this Concerto demands. Music commentary seems sometimes to be a sterile and even ludicrous pursuit, for time was when eminent critics were predicting that this mighty work, which has held its place consistently since 1889 when Tschaikowsky finally revised it, was about to pass out. The balance of the program was gay and gracious, and more listeners welcomed the announcement that Eric Coates would figure considerably in these programs.

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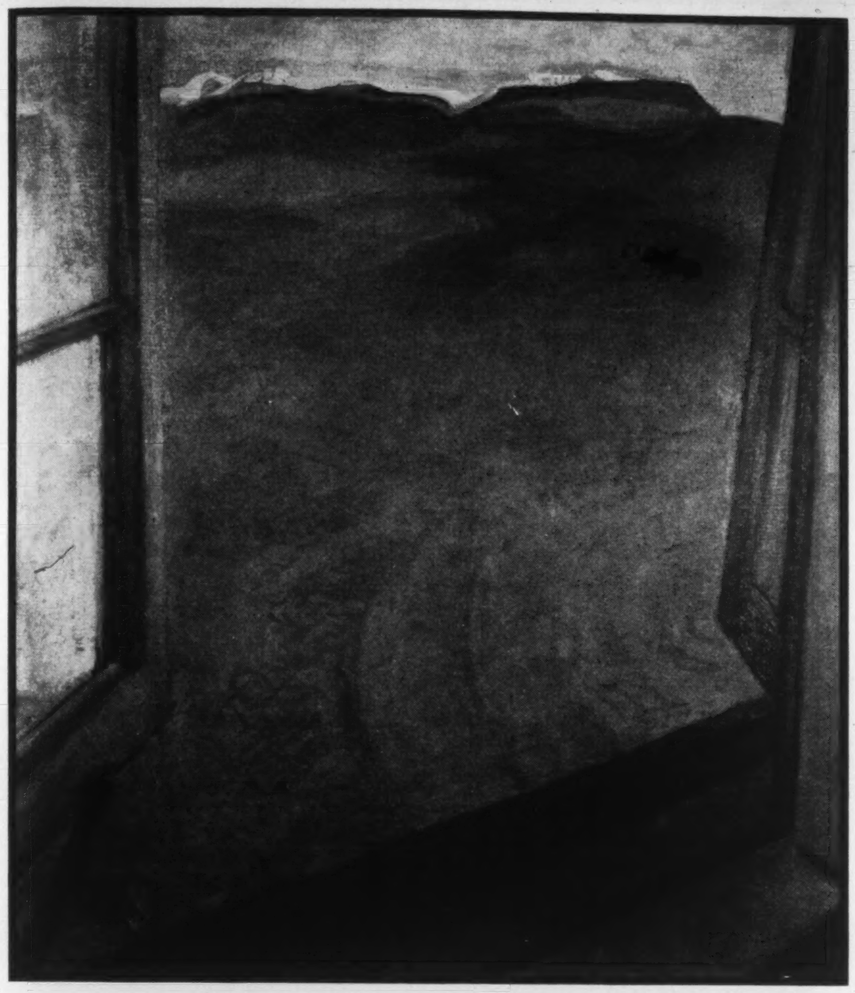
LET'S ALL DO MORE TO WIN THE WAR



"Open Window" an oil, painted by Frederick Horsman Varley in 1941, was recently acquired by Hart House, Toronto, for its permanent collection.

THE FILM PARADE

A Bright and Giddy Xmas Filler For the Last Week of 1944

By MARY LOWREY ROSS

AS A rule the last week of the year seems to catch the distributors in the state of apathy touched with desperation that parents feel when they are trying to fill up the final inch of Christmas stocking. Almost anything will do at this point, but bulk on the whole gets priority over content. So it was a pleasant surprise this time to come on "Our Hearts Were Young and Gay" which has no bulk at all, but a lot of charm, and is bright and giddy enough to hang right out front on the Christmas tree.

This is the screen record of the unchaperoned trip to Europe made by Cornelia Otis Skinner and Emily Kimbrough, back in the early 'twenties. The screen version, though it owes quite a lot to the special investiture of Hollywood, still retains much of the nostalgic comedy of the original. Emily's collapsible tweed traveling hat has been included and so have the bargain bunny wraps in which the pair appeared at the Savoy, looking as though they were just emerging from especially rich bubble baths. Some of the touches that the studio threw in on its own—including the ship's concert sequence with the outraged operatic diva—are quite as funny as anything in the original travelogue. I missed the strange night spent by the pair at a Paris bordello however, and the bedbug sequence with its train of mental anguish — both harmless enough mishaps in themselves, but apparently not quite innocent enough to satisfy the Hays office whose standards are still, in many respects, the standards of Bryn Mawr 1923.

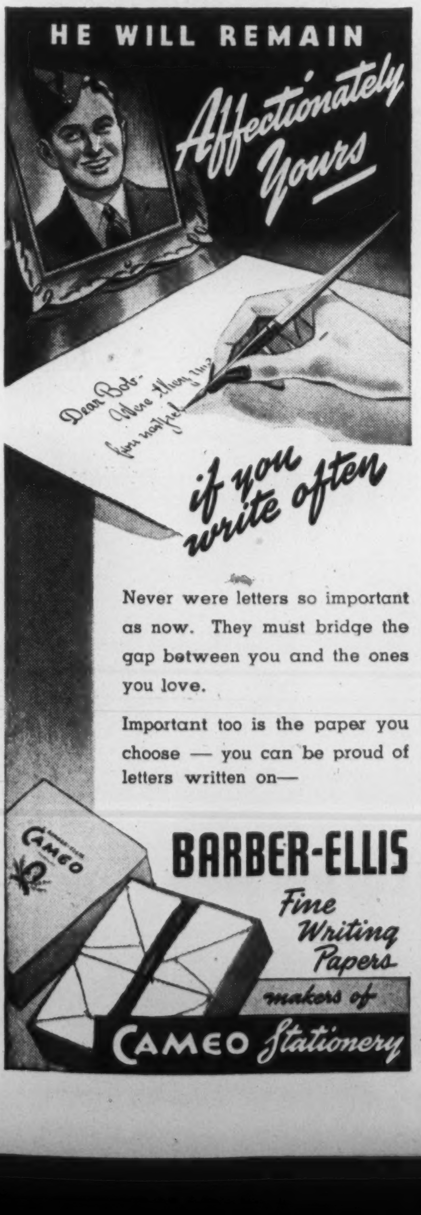
THE Misses Skinner and Kimbrough are played here by Gail Russell and Diana Lynn. Miss Russell is pretty and Miss Lynn very lively and both are overwhelmingly naïve. Old period pieces who can remember what nineteen-year-olds were actually like in the Twenties may feel that the naïveté has been rather exaggerated and that the two heroines belong to the middy-blouse rather than the bunny-wrap stage of development. It's very pleasant comedy though, completely undemanding and sufficiently rewarding. Charles Ruggles and Dorothy Gish are amiably cast as Mr. and Mrs. Otis Skinner.

As it was Christmas holidays I took my ten-year-old along to see "Rainbow Island." "Is it colored?" she asked, "And will it be funny?" "Well anyway it's colored," I said cautiously.

She sat gravely entranced through an hour and a half of "Rainbow Island," and when it was over she said politely that if I wanted to finish my shopping she'd stay and see it over again. The shopping took some time and when I came back the film was well through its second showing. I persuaded her to leave, but she came away reluctantly, walking backwards towards the lobby. "I liked it," she said on the way home, "but I didn't think it was very funny."

MY OWN pleasure in "Rainbow Island" was largely a transferred one. When you see this sort of film through the enchanted eyes of a ten-year-old you are apt to overlook the arsenical greens of the tropical landscape and the fact that Dorothy Lamour is possibly a little mature by this time for sarong roles. There's a great deal of self-clowning in "Rainbow Island," but even so I'm inclined to agree with the ten-year-old verdict that it isn't a very funny picture. The business of the South Sea Island and Dorothy Lamour in her sarong has become a large intimate joke between the studio and the movie audience and everyone who is in on the joke — including Miss Lamour—takes it good-naturedly. But the attempt to make it more wildly preposterous with every issue falls a little flat. It's a little like trying to parody the radio.

The story here is about a marine (Eddie Bracken) who turns up on another of those isands in the Lamour archipelago. Here he is mistaken for a tribal deity, and most of the comedy is concerned with the hero's efforts to combine godhead with the natural appetites of a marine. Everyone in the cast is a comedian of one kind or another and they all work hard and cheerfully to no particular purpose.



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THE BUSINESS FRONT

THE MARKET
GOLD & DROSS

Safety for the Investor

SATURDAY NIGHT, TORONTO, CANADA, DECEMBER 30, 1944

P. M. Richards, Financial Editor

Yellowknife Prospects Continuing to Grow

By J. A. McRAE

Reviewing the field in the Yellowknife gold area of the Northwest Territories, Mr. McRae sees unlimited prospects. Three significant facts he notes are the high value of the ore, the large return from early development work, and the wide distribution of the deposits over the five thousand square miles of the field.

Transportation and power are real problems, but the writer says that the early indications have been enough to get pioneers excited about the future of the field.

GOLD production in multiplied millions appears to be the outlook for the Yellowknife gold area of the Northwest Territories. This is the inference to be gathered through a study of official information relative to the properties under operation,—and also borne out by a report issued by the Geological Survey of Canada.

The Geological Survey has prepared a map which not only gives an outline of the geological formations, but also illustrates how widespread have been the gold discoveries. The government report now refers to this Yellowknife field as the Yellowknife-Beaulieu Area.

Heretofore, information has come in bits and pieces and it has been difficult to place a frame around the picture now developing in the new gold field. Now, however, in the light of information compiled by the Geological Survey of Canada, the outline of the big mining area has been established. Roughly speaking, the Yellowknife-Beaulieu gold field embraces approximately 70 miles square of rocks favorable for the deposition of gold. This area of approximately 5,000 square miles is flanked for the greater part on all sides by huge masses of granodiorite. It is within this bowl of 70 miles in breadth that the feverish search for gold is being pressed.

Like all other new mining fields, power and transportation are among the problems which confront those who engage in the development of mines in the area. However, the field is fortunate in having an excellent water route which extends from the railhead to the north shore of Great Slave Lake adjacent to which the new gold area lies. Even with this advantage, however, transportation will add to the costs of mining and producing the gold.

Some early estimates suggest that this may add possibly $2 per ton, on the average, to the costs, and in some instances considerably less,—depending upon the size of individual operations. Having in mind that the production records to date have shown medium to high grade ore, the mines of the area are not expected to find this added cost a serious handicap.

Some Power Development

With regard to power, the situation has already been taken care of to some extent with some of the producers already provided with hydro-electric energy from a power development in the westerly part of the area and a power transmission line extending as far east as the Thompson-Lundmark in the central part of the field. This, however, has been adequate only for operations on the present moderate scale, and it is recognized that plans will have to be made for hydro-electric power on a much larger scale as mining develops. The problem is now under close study, and the general impression is that the federal government may be expected to play an important part in providing the necessary power facilities.

Located in the westerly section of

(*Continued on Next Page*)

From their base on India's northwest shores, these Canadians from Ontario fly Catalinas on convoy escort and anti-submarine patrols with the R.A.F. Seated on the retaining wall of the maintenance slip where the "cats" are moored are l. to rt.: LAC F. Powell, Barrie; W/O G. Foote, Toronto; P/O W. Hutchinson, Woodstock; F/O W. Wiltshire, Guelph; Cpl. D. Rumbold, Brigden; F/O B. Garland, Ottawa; F/O J. Gibson, Toronto.

THE BUSINESS ANGLE

Britain Needs Financial Help

By P. M. RICHARDS

AS MOST Canadians are now aware, Britain faces unusual postwar difficulties in the rebuilding of her war-damaged economy, and the fact is of much more than British concern. Britain has had to sell most of her foreign investments to finance her tremendous war effort and has also taken on a large external debt, the consequence of which is that she will apparently not have the means to buy from us or anybody else in anything like her former volume. And Britain has been our best customer taking annually huge quantities of the products of our farms, forests, mines and factories. If she can't continue to buy what she needs, not only she but all her suppliers will suffer too.

Britain is begging from no one, but she is going to need financial accommodation from her international trade associates, and she is not hesitating to let that fact be known. She will need help in settling her accounts and in rebuilding the values behind the sorely-strained pound sterling. Frank Pick, writing in *Barron's Weekly*, says that the entire civilized world will have a direct interest in seeing that this help is made available, lest the lack of it should set off a world-wide wave of currency devaluations.

In many reports and discussions of postwar currency plans, the minimum credit which Britain will need has been placed at $15 billions and the maximum at $25 billions, says Pick. It is not yet known, he continues, whether and from whom Britain will get this credit, and under what conditions such a transaction can be effected. But without doubt it will be to the advantage of United States foreign trade to work side by side with a stable pound. The prewar distribution of foreign trade shows why this is the case: of total world exports in 1938 of $13,379,000,000, $3,177,300,000 or 24 per cent were United Kingdom and British Empire, and $1,872,900,000 or 14 per cent were United States and Philippine Islands.

Competition in World Markets

Thus the alternative to maintenance of the pound's exchange level after the war, Pick points out, will be the competition in world markets of British Empire goods priced cheaply because of a devalued pound and commanding before the war 24 per cent of world trade. The current U.S. rate of exchange is $4.04 per pound sterling If Britain cannot get sufficient postwar credits, devaluation will be necessary. In that event the pound's U.S. value may fall to $3.50 or $3.00, or even less. Pick says that while there are many arguments against extension of American credits to Britain, critics of this policy should remember that within two and a half years after the sterling devaluation of September, 1931, the U.S. dollar also had to be devalued.

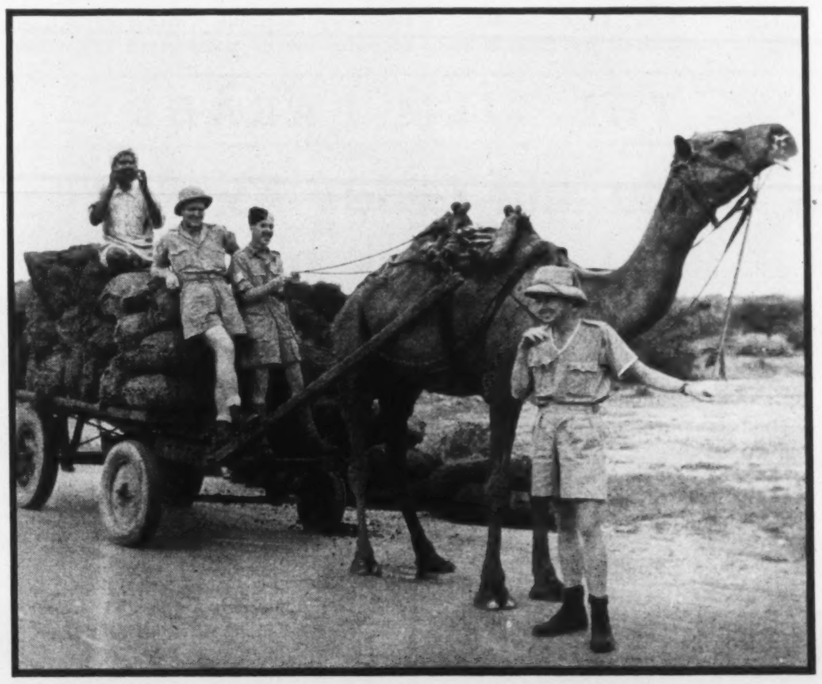
The five and one-quarter years since Great Britain entered the war have required an uninterrupted financial effort which has no equal in her history. Expenditures have been made in the amount of approximately $112 billions, of which 95 per cent, if not more, went into the direct conduct of the war. Britain's total debt, which was $33.2 billions in March 1939, had grown to $84.8 billions by September 1944. This increase of nearly $52 billions indicates that more than 54 per cent of Britain's wartime expenditures have been paid for by the British public and that financial problems have constantly been under the complete control of the British Government. There has been no currency panic in Britain or in any part of the Empire. When the Axis collapses, the pound sterling will have survived the most difficult war Britain ever has had to conduct.

Began to Prepare in 1938

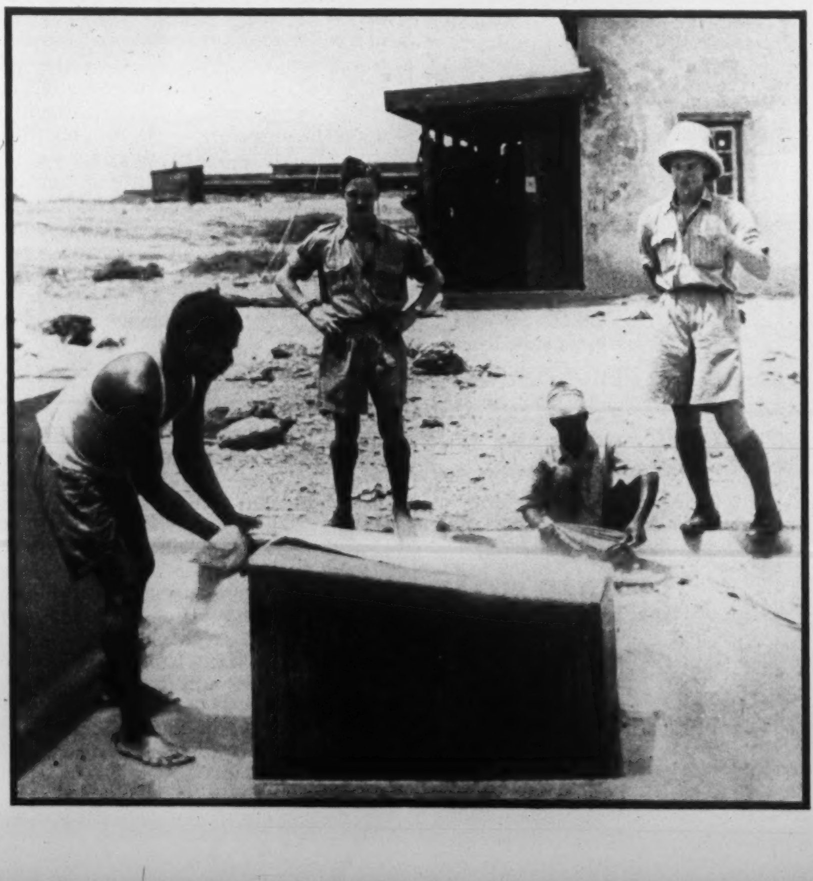
Recognizing the inevitability of war, Britain began her financial preparations for it in 1938 at the time of the Munich Pact, Franz Pick tells us. The main lines along which the defence of the pound sterling was planned were (1) the avoidance of inflation at any price, (2) the best utilization of British gold and dollar resources; and (3) the creation of new foreign credits. Great Britain has successfully avoided inflation, he asserts: The rise in banknotes in circulation in Britain shows the smallest percentage increase of all important currencies of the world. From December 1938 to October 1944 Britain's increase in currency circulation was but 78 per cent, as against 320 per cent in the case of the United States, 440 per cent for Germany, 545 per cent for France, 735 per cent for Belgium and 1,375 per cent for Italy.

This comparatively healthy state of Britain's currency circulation Pick attributes first of all to her efficient price control system, then to the maintenance of extremely high taxes and to a well-organized rationing system. With these domestic anti-inflation measures went the effective utilization of Britain's gold and dollar and other currency resources. Fortunately for Great Britain and no doubt for the whole world, Pick says, passage of the Lend-Lease Act in March 1941 gave enormous relief to Britain's external currency problems.

By the end of the war, Pick calculates, Britain's total debt will probably reach $100 billions—and to this will have to be added more than $20 billions for her present external net deficit comprising blocked sterling balances, lend-lease, and other items. But, despite everything, "the pound can still be sold in the free markets of the world for more than 75 per cent of its prewar value. Herein is the true test of one of the greatest successes in currency control in history."



In Sind, India's western desert province, where these airmen are stationed, camels are the commonest form of transport. Here LAC E. Taylor, Hanna, Alta., and Sgt. E. Tribe try a bit of driving "a la Sind", while LAC Glenn Hubbs, Indian Head, Sask., holds the camel. Below: No Soap? Smacking the wet linen against the stone is the way they wash in India.



the favorable formations are Giant Yellowknife Mines, Negus Mines, Ptarmigan, Con Mines and others. Not only has this part of the field demonstrated high grade production, but extensive diamond drilling on Giant Yellowknife has shown enormous tonnage of medium to high grade ore. As a result, the Giant company alone is laying plans for additional construction and development amounting to close to $2,000,000 and the indications are that one of the major gold mines of the continent is in the making.

Central Section

Situated in the approximate centre of the great bowl are Thompson Lake and Pensive Lake where at both points spectacular discoveries of gold have been made. Properties in the central section at Thompson Lake include Thompson-Lundmark Gold Mines and others. A small piece of land jutting up in Thompson Lake is known as Treasure Island because of a vein there having yielded pieces of ore that were about half gold. In a short period of operation a little mill on the Thompson-Lundmark produced some $1,750,000 in gold from ore which yielded an average of around $24 to the ton. The mine now stands groomed and ready for larger scale operations as soon as the war in Europe ends.

Only a half dozen miles away from Thompson Lake is Pensive Lake. Here some of the leading Canadian mine operators have property, and spectacular discoveries have been made. Dome Mines of Porcupine holds a large block at Pensive Lake and interests associated with Consolidated Mining & Smelting Company also have holdings. Other operators include Ingraham Mines. It is here also that Smelter Gold Mines recently purchased a centrally located block of claims known as the Fair Group on which impressive showings have been made, and on which a systematic campaign of work is planned.

Situated in the easterly part of the area are many properties in varying stages of exploration and development. Outstanding among these are the Ruth Mines, Tungsten Developers, Norma Mines and others. Throughout much of this area, geologists and engineers are pointing to the important indications of rare metals other than gold. As work progresses and knowledge of the rocks peculiar to this area increases, much more promises to be heard of the rare metals of this district.

The northerly part of the Yellowknife-Beaulieu Area embraces Gordon Lake and the various properties where gold has been discovered. Among the mining companies extensively interested in this section is Mining Corporation of Canada which controls the Camlaren Mines on which unusually rich ore has been found. Assays of one to two ounces gold to the ton were not uncommon in the surface discoveries made on this property. Other groups in this section include Goodrock, Storm and others.

$14,000,000 Produced

It is considered significant that although gold mining in this new area of the Northwest Territories commenced at a time when it was doomed to meet serious handicaps imposed by war, yet in the period of mere beginning the new mines there have produced some $14,000,000 in gold. It is considered to be of even greater significance that in spite of the manpower shortage caused by war, forcing mills to curtail operations temporarily, exploration has gone forward with extremely favorable results. It is perhaps not being over-optimistic to suggest that exploration carried on during the war years has actually multiplied the amount of commercial ore indicated in this new gold field.

The fact that payable deposits have been developed at wide intervals across the length and breadth of an area some 70 miles square is in itself a development of incalculable importance. The fact that the initial effort in face of unprecedented handicaps of war has resulted in an output of $14,000,000 in gold is also something of signal importance. Add to these indications the fact that the ore so far taken out has had a much higher average per ton value than that coming from other great gold producing areas, such as Porcupine, Kirkland Lake and other fields, and the reasons for the current wave of enthusiasm are not difficult to understand.

There is no gainsaying the truth but that what has so far been accomplished in the Yellowknife-Beaulieu area is just a mere fraction of what may ultimately be achieved. In dealing with the treasures of the earth, mining men and prospectors know all too well how grudgingly nature yields up her secrets. Knowing this, and also remembering that $14,000,000 has been obtained from the first scratch, so to speak, and also not forgetting that the value of gold now indicated may be measured in multiplied millions as compared with just a few years ago, and one may have some idea of the high hopes with which pioneers are embracing this new field.

Those who have followed mining in Canada for the past thirty-five years carry vivid recollections of the slowness with which progress came to such great gold mining areas as Porcupine and Kirkland Lake, Rouyn, Red Lake and other areas. The mills and the mining plants of the first few years in the fields referred to were not only few in number but were little more than toys when compared with what followed as development progressed. First came the record measured in millions as has so far been the case in the Yellowknife-Beaulieu area. Later came the achievements measured in tens of millions. Now the record of gold output stands in hundreds of millions,—two mines alone in the Porcupine gold area having so far produced over $500,000,000 in gold and still have ore reserves as high as at any previous time in history.

Will Strengthen Economy

That is why the strongly established mining companies have entered the Yellowknife-Beaulieu area such as Con. Mining & Smelting Company, Ventures, Ltd., Dome Mines, and others. That, also, is why newer companies have acquired property in the area and are adding to their holdings there.

The magnitude of the area involved, and the importance of discoveries and developments that have so far taken place, has suggested to the minds of prospectors and mining men in general that the Yellowknife-Beaulieu gold area will be an arena of extensive mining activity in the postwar era and may play an important part in guiding Canada back to economic stability in the difficult years with which all nations are confronted.

Britain Has to Choose Quantity or Quality

By GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

The textile trade has been a leader in postwar preparation in British industry and its success offers a fair gauge to the progress of industry at large. So far it has been held back by a lack of guidance on the part of government.

The major decision to be made by the industry is whether to try and catch up with America in mechanization and compete in quantity production, or whether to concentrate on quality.

IT IS more than a year since military developments first presented British industry with an apparent justification for taking postwar planning to a new degree of completeness. It was in the textile trades that the controversy between the opposing schools of "individualism" and "grouping" first developed in defined relationship to peacetime requirements, and this difference of opinion, at once economic and political, has become the dominant motif of all postwar discussion. It cannot, however, be said that any substantial progress has been made towards a decision on the issue, and for this the political implications are no doubt responsible.

The cotton, woollen and rayon industries have a complaint against the authorities, and its burden is that they have been given no guidance. They want to know how soon and to what extent there will be an unwinding of the concentration screw, which has taken away so much productive capacity, and what is intended in the matter of labor and raw materials, and when the Government will open up the capital market again, and what sort of assistance exports may expect.

These questions have not been answered, although the official statement on postwar industrial priorities indicated that the textile industries would rank high on the list for "freeing" in so far as they were contributors to the provision of essential goods for domestic replenishment. This is not, in the view of the industry, a particularly helpful piece of information, since what is required to be known is when the total function of textile production, in its luxury as well as its utility ranges, in its oversea as well as its domestic capacity, will be restored, and on what terms of Government policy.

That is one thing, that the absence of a clear official lead must stultify planning once it gets beyond the stage of broad principle. But even if the official lead were given there is a major question of industrial organization and direction to be solved.

This question was abruptly and bluntly posed by the report of the Platt Mission that compared Lancashire's efficiency in producing cotton products with the efficiency of U.S. industry, and which reached an alarming conclusion, well worth restating. This was that British output per man-hour was less than American by 18 to 49 per cent in spinning, by 80 to 85 per cent in winding, by 79 to 89 per cent in beaming, and by 56 to 67 per cent in weaving.

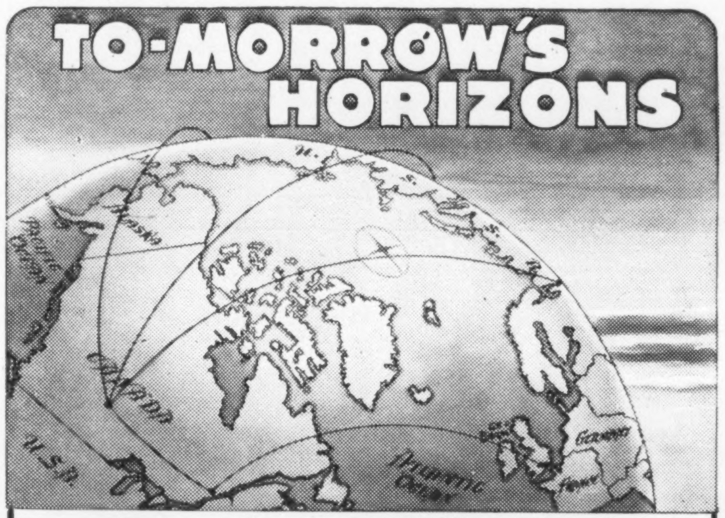
The Crucial Issue

The issue which emerges from this—and it has become the crucial issue in textile circles—is whether mechanization in the British industry should be brought to the American standard, or whether a new and limited role for British production, concentrating output on quality products involving a high degree of processing skill, should be adopted.

It is being argued in favor of the latter course that Britain should develop to the highest possible point the export of those goods in whose production workers' skill constitutes a large proportion of the cost. This "export skill" argument finds strong support from the condition in which the British economy must find itself when the war is over, where it will be desirable to limit imports, so far as is consistent with the need of manufacturers, and to expand exports which require no substantial expenditure of currency on buying raw materials from abroad. But this is a short-sighted view.

Admittedly, there is a specious case for this sort of specialization in the immediate postwar period, but there is none to support it as a long-term policy. Yet what industry broadly determines immediately after the war is bound to determine its future development. It could not adopt an "export skill" interim policy, with all that it means in terms of industrial organization, and then pass to an "export quantity" program, whose mass-production organizational requirements are diametrically opposed to those of skilled specialization.

This problem is seen at its maximum in the textile industries, and it is here that the wordy contest is being most energetically pursued. From the economist's point of view the aim of the three big textile industries should be to attack the biggest world market (and here a relevant consideration is the great low-price market which the destruction of Japanese competition will open up) rather than to develop a high-class specialty trade. But there is no identity of opinion within the industry itself, and there is little sign of the view taken by the Government.



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ISN'T IT THE TRUTH? By Ti-Jos

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GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

S. A. W., Liverpool, N.S.—It is too soon as yet to offer an opinion on the possibilities of the NOVELL PORCUPINE property of nine claims in Midlothian township. A recently discovered carbonate zone has been traced and opened for a distance of 900 feet and width of over 200 feet. This body is said to be well sheared and mineralized and has panned gold in several places along the strike. The Novell property adjoins Laroma Midlothian, on which the discovery was made which caused the rush to the district, but assays of the first three drill cores there yielded nothing of commercial importance. Laroma officials, however, believe a considerable amount of drilling will be necessary to properly test the property. Diamond drilling on the Porcupine property of Novell Porcupine failed to indicate commercial ore.

J. F. P., Winnipeg, Man.—You seem to have no immediate reason to worry. The declaration of a final dividend of $1.50 per share on the "A" and "B" common shares of CANADIAN INDUSTRIES LTD., bringing total dividends for the year 1944 to $5.25 per share, the same amount as was paid for the previous year, did not come as a surprise for the company's progress report for the first nine months of the year stated that while net profit for the period was still below the corresponding period of last year, for the first time since 1939 the decline in earnings appeared to have been halted and that the improvement should result in a narrow increase over 1943 in total net profit although it was evident that earnings would continue to be well below the average of the 1936-1939 period. Production costs have become more stable but earnings remain vulnerable to any decline in sales volume. Net earnings for the year 1943 amounted to $5.88 per share, comfortably covering dividends declared for the last two years but comparing with $6.09 per share plus 9 cents of postwar tax refund for 1942, $7.22 per share earned in 1941 and the all-time peak earnings of $8.52 reported for 1939.

G. E. A., Saskatoon, Sask.—Like other Red Lake properties HASAGA GOLD MINES has been forced to drastically curtail operations because of the labor shortage, but I am unable to offer any opinion as to possible market action of the shares. It was recently reported the mill was running at only 250 tons against a capacity of nearly 400 tons. Net profit in 1943 was 3.6 cents a share as compared with 7.2 cents in 1942. Ore reserves on the main property at the end of 1943 were 365,397 tons averaging 0.1463 oz. per ton, as against 466,816 tons, averaging 0.1411 oz. gold per ton at the close of the previous 12 months. Exploratory drilling below the 500-foot level west of the present workings has possibilities. The Starratt-Olsen group, owned outright by Hasaga, and on which some 40,000 tons of ore was uncovered in two veins by under-

BUSINESS AND MARKET FORECAST

Market Indicates Longer War

BY HARUSPEX

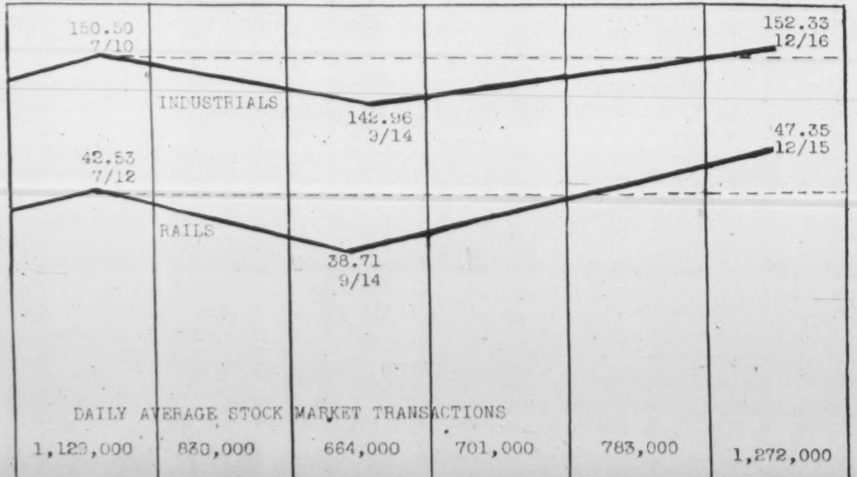
THE ONE TO TWO-YEAR NEW YORK MARKET TREND: Stocks, following their sustained advance from the April 1942 lows, completed a zone of distribution in July 1943, now being renewed, preparatory to eventual cyclical decline.

THE SHORT TERM OR SEVERAL-MONTH TREND: The Short Term trend of the market is to be classed as upward from the mid-September 1944 low points of 142.96 on the Dow-Jones industrial average, 38.71 on the rail average. For detailed discussion of technical position, see remarks below.

From a technical standpoint the best market performance at this juncture would be ten days to two weeks of relative quietude, or even moderate recession. There is always danger, following an upside breakthrough of prices, such as recently occurred, that public enthusiasm over the event will overdo the matter. When such public over-discounting occurs, the market's technical structure is weakened and frequently tops off during the immediate excitement rather than maintaining a forward trend for a reasonable period of time. Thus, a series of days at well over two million shares each, carrying into the early part of January, would lend some suspicion that a culminating phase of the rally was being witnessed, whereas quiet markets, as noted above, would lend more assurance of continuing strength. Recent sessions have tended toward lowered volumes.

Beyond technical considerations, pro or con, the big factor with which the market is dealing is the war. **Recent strength has been based upon a revised opinion that the European war will last five to eight months longer.** Under such circumstances the transition reckoning that industry sooner or later must face will be postponed and a further interval is allowed for exploitation, marketwise, of favorable war-earnings. In connection with the war's progress, incidentally, a dramatic change has taken place with launching of the German drive on the Western Front. In making this push the German High Command is heavily committing its reserves and by such action will have materially shortened or lengthened the war—one or the other. Allied strategy has been to force a decision west of the Rhine, thus leaving interior Germany very much the same type of vacuum as was encountered in France once the coastal defenses were passed. If the Allied Command can now cut to ribbons the heavy onslaught of German Armies, its objective will be achieved. To the contrary, failure to capitalize such opportunity at an early date will permit time for organization of defenses within the Reich—making the going doubly hard some months hence for the Allied Armies.

DOW JONES STOCK AVERAGES



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2ND JANUARY 1945

to shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
7th December, 1944. Manager.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1945 to shareholders of record at close of business December 15th, 1944.

(Signed) W. S. BARBER,
Secretary-Treasurer.

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THE ROYAL BANK OF CANADA

General Statement, 30th November, 1944

LIABILITIES

Capital stock paid up		$ 35,000,000.00
Reserve fund	$ 20,000,000.00	
Balance of profits carried forward as per Profit and Loss Account	4,247,671.56	
	$ 24,247,671.56	
Dividends unclaimed	50,575.46	
Dividend No. 229 (at 6% per annum), payable 1st December, 1944	525,000.00	
		24,823,247.02
		$ 59,823,247.02
Deposits by and balances due to Dominion Government	$232,148,156.00	
Deposits by and balances due to Provincial Governments	21,453,136.10	
Deposits by the public not bearing interest	807,245,414.46	
Deposits by the public bearing interest, including interest accrued to date of statement	592,851,469.10	
Deposits by and balances due to other chartered banks in Canada	3,161.92	
Deposits by and balances due to banks and banking correspondents elsewhere than in Canada	23,183,358.61	
		1,676,884,696.19
Notes of the bank in circulation		9,580,371.66
Acceptances and letters of credit outstanding		42,347,097.19
Liabilities to the public not included under the foregoing heads		1,616,390.59
		$1,790,251,802.65

ASSETS

Gold and subsidiary coin held in Canada	$ 1,775,041.40	
Gold and subsidiary coin held elsewhere	1,402,082.55	
Notes of Bank of Canada	36,421,787.75	
Deposits with Bank of Canada	105,209,611.49	
Government and bank notes other than Canadian	79,047,151.39	
		$ 223,855,674.58
Notes of and cheques on other banks	$ 75,260,199.08	
Deposits with and balances due by other chartered banks in Canada	6,674.81	
Due by banks and banking correspondents elsewhere than in Canada	78,630,240.06	
		153,897,113.95
Dominion Government direct and guaranteed securities maturing within two years, not exceeding market value		438,082,169.89
Other Dominion Government direct and guaranteed securities, not exceeding market value		299,945,251.15
Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value		43,459,453.93
Other Provincial Government direct and guaranteed securities, not exceeding market value		28,545,560.60
Canadian municipal securities, not exceeding market value		16,754,325.72
Public securities other than Canadian, not exceeding market value		81,310,288.45
Other bonds, debentures and stocks, not exceeding market value		27,493,292.52
Call and short (not exceeding 30 days) loans in Canada on stocks, debentures, bonds and other securities of a sufficient marketable value to cover		25,885,985.74
Call and short (not exceeding 30 days) loans elsewhere than in Canada on stocks, debentures, bonds and other securities of a sufficient marketable value to cover		38,620,089.00
		$1,377,849,205.53
Current loans and discounts in Canada, not otherwise included, estimated loss provided for	$261,024,287.72	
Current loans and discounts elsewhere than in Canada not otherwise included, estimated loss provided for	79,117,470.17	
Loans to provincial governments	2,109,729.68	
Loans to cities, towns, municipalities and school districts	8,815,745.35	
Non-current loans, estimated loss provided for	585,143.08	
		351,652,376.00
Liabilities of customers under acceptances and letters of credit as per contra		42,347,097.19
Real Estate other than bank premises		976,301.49
Mortgages on real estate sold by the bank		510,250.57
Bank premises at not more than cost, less amounts, if any, written off		12,276,453.77
Deposit with the Minister of Finance for the security of note circulation		625,000.00
Shares of and loans to controlled companies		2,987,786.72
Other assets not included under the foregoing heads		1,027,331.38
		$1,790,251,802.65

M. W. WILSON,
President.

S. G. DOBSON,
General Manager.

AUDITORS' REPORT

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above Statement of Liabilities and Assets as at 30th November, 1944, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have checked the cash and the securities representing the Bank's investments held at the Head Office at the close of the fiscal year, and at various dates during the year have also checked the cash and investment securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1944, and is as shown by the books of the Bank.

M. OGDEN HASKELL, C.A.,
of Haskell, Elderkin & Co.
GUY E. HOULT, C.A.,
of P. S. Ross & Sons
Auditors.

Montreal, Canada, December 22, 1944.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1943	$ 3,815,487.77	
Profits for the year ended 30th November, 1944, after providing $2,127,214.86 for Dominion Government taxes and after making appropriations to Contingency Reserves, out of which Reserves provision for all bad and doubtful debts has been made	3,812,183.79	
		$ 7,627,671.56
APPROPRIATED AS FOLLOWS:		
Dividend No. 226 at 6% per annum	$ 525,000.00	
Dividend No. 227 at 6% per annum	525,000.00	
Dividend No. 228 at 6% per annum	525,000.00	
Dividend No. 229 at 6% per annum	525,000.00	
	$ 2,100,000.00	
Contribution to the Pension Fund Society	880,000.00	
Appropriation for Bank Premises	400,000.00	
Balance of Profit and Loss carried forward	4,247,671.56	
		$ 7,627,671.56

M. W. WILSON,
President.

S. G. DOBSON,
General Manager.

Montreal, December 22, 1944.

Marcus Loew's Theatres, Limited

THE national income and public spending power is expected to continue at a comparatively high level for years after the cessation of hostilities and the postwar prospects for the amusement industry appear bright. Marcus Loew's Theatres, Limited, operate a motion picture house in downtown Toronto and lease their other house in uptown Toronto to another organization. The company is associated with Loew's of New York and in turn M-G-M, one of the leading motion picture producers on the continent, and today is in the strongest financial position in its history. Years ago all indebtedness in connection with the construction of the second theatre and the improvements to the downown theatre was cleaned up. Earnings have been substantial in late years and the common shares are now on an annual $4 dividend basis. Shareholders recently confirmed by-laws providing for the redemption of the 7% preference stock at 115. Cash resources are sufficient to call the preferred stock, but it is not the intention to do so at this time because of the allowances under the Excess Profits Tax Act.

Operating profits for the year ended August 31, 1944, were the best in history. Net profit for that year of $107,171 was an increase from $101,602 for 1942-1943, and compared with $121,007 for 1938-1939, a year in which income taxes were on a much smaller scale. The 1943-1944 net after preferred dividends was equal to $8.19 per common share, including $1.07 a share refundable tax, and that for 1942-1943 to $7.44 a share, inclusive of 76c a share refundable tax. Surplus of $896,756 at August 1944 was an increase from $748,733 at August 1939.

Net working capital has more than doubled from 1939 to 1944, to $728,616 from $343,794, and a substantial cash, or equivalent, position has been built up which will be available for redemption of the preferred stock, when it is decided to do so. Cash at August 30, 1944, amounted to $425,829 and investments to $377,875, a total of $803,704 against the par value of the preferred stock outstanding of $653,900.

At August 30, 1944, there were outstanding 6,539 shares of 7% cumulative preferred stock of $100 par value and 7,500 common shares of $100 par value.

Dividends are paid to date on the preferred stock, although in arrears at times. Directors have placed the common stock on an annual dividend basis of $4 per share with the declaration of a quarterly dividend of $1 a share. Dividends were paid on the common stock aggregating $11.25 in 1917; $7 in 1918 and $18 in 1920. The distribution of $1 a share December 30 of this year will be the first on the common since 1920. Special cash dividend of $10 was paid April 1919 and $2 January 1920, with a special dividend of $7 paid in Canadian government bond March 1918.

Marcus Loew's Theatres, Limited, was incorporated in 1913 under the laws of the Dominion of Canada. The company owns two theatres in Toronto, with seating capacities of 2,900 and 2,200. The Downtown Theatre is operated by the company and the Uptown Theatre leased to another organization. Marcus Loew's Theatres is assured of first run pictures through a 49-year agreement with Marcus Loew's Booking Agency.

Price range and price earnings ratio 1939-1944, inclusive, follows:

	Price Range		Earned	Price Earnings Ratio	
	High	Low	Per Share	High	Low
1944 (to date)	45	45	$8.19-a	5.5	5.5
1943	35	25	7.44-a	4.7	3.4
1942	18	18	7.18-a	2.5	2.5
1941	18	14¾	6.46	2.8	2.3
1940	12	12	6.50	1.8	1.8
1939	14¾	12	10.03	1.5	1.2
Average 1939-1944				3.1	2.9
Approximate current ratio				5.5	
Approximate current yield				8.8%	

a—Includes $1.07 a share refundable tax 1944, 76c a share 1943 and 4c a share 1942.

COMPARATIVE STATISTICS

Year Ended August	1944	1943	1942	1941	1940	1939
Net Profit	$107,171-x	$101,602-x	$ 99,686-x	$ 94,235	$ 94,508	$121,007
Surplus	896,756	835,359	790,973	754,385	751,696	748,733
Current Assets	805,471	721,186	607,326	536,226	456,932	378,700
Current Liabilities	76,855	98,500	77,946	80,644	58,364	34,906
Net Working Capital	728,616	622,686	529,380	455,582	398,568	343,794
Cash	425,829	468,652	400,454	330,930	406,797	378,700
Investments	377,875	252,384	201,311	200,703	50,135	—

x—Includes $8,000 refundable tax 1944; $5,727 in 1943 and $273 in 1942.

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ground work, is being further explored below the existing levels.

W. N. R., Toronto, Ont.—The balance of the preferred stock of EASY WASHING MACHINE CO. LTD., will be redeemed on Jan. 2 at the prescribed price of $11 per share and accrued dividend. The present balance has been reduced to 1,264 shares, as compared with 5,750 shares shown to be outstanding at Dec. 31, 1943, a reduction to date this year of 4,486 shares. In 1943 the preferred stock of $10 par had been reduced from 6,430 to 5,750 shares. The company last year paid an initial dividend of 25c on the common after clearing up arrears on the preferred.

A. C. W., Toronto, Ont—Just what the early action of the stock market will be in prices of either STEEP ROCK IRON MINES or the golds, is something which I am unable to foresee. I regard Steep Rock as a speculative investment for the long term but cannot predict its intermediate moves. Despite the recent decline in the price when it became known that the expected shipments in 1944 would not be made due to a mud slide, the intrinsic value from the mining standpoint has not changed. Company officials state there is nothing whatsoever in the physical or financial situation which is causing them any worry. It is expected the situation will be well in hand next spring so as to ensure uninterrupted output.

T. B. E., Campbellford, Ont.—H. C. Hateh, president of HIRAM WALKER-GOODERHAM & WORTS, stated recently that the company expects that before the end of 1945 it will be able to meet the demands for its products. The net profit of $7,637,364 reported by the company for the fiscal year ended Aug. 31, 1944, compared with $9,245,143 for the previous year. The net profit for 1943-1944 after preferred dividends was equal to $9.81 per share on the common stock and that for 1942-1943 to $12.03 per share. The company's total tax bill for the year, including income, excess profits, excise and import taxes, approximated $103,500,000. Consolidated net sales for the year of $167,051,135 were up from $142,017,948 for 1942-1943, the increase being principally accounted for by the higher excise taxes since gallonage of beverage products sold declined slightly due to the company's voluntary rationing policy.

H. S. F., Montreal, Que.—Yes, WESTERN CANADA FLOUR MILLS CO. is proposing to change its name to PURITY FLOUR MILLS LIMITED, and this change, together with the proposed capital reorganization, will be before the court for sanction on Jan 16. Under the plan present preferred shares of $100 par value will be exchanged for two shares of new preferred and 2 shares of common. The arangement would eliminate dividend arrears and the new preferred stock will be entitled to annual cumulative dividends at the rate of $2.50 a share to July 1948 and to $3.50 per share thereafter. At the special general meetings held Nov. 27 common and preferred stockholders approved of the plan which now has to be sanctioned by the court and confirmed by supplementary letter patent.

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ABOUT INSURANCE

Life Insurance as a Service Rather Than as a Financial Institution

By GEORGE GILBERT

LIFE insurance as an institution has reached a position where its financial soundness is recognized as beyond question and where the security afforded holders of its contracts is absolute. The record shows that over a very lengthy period of years no policyholder or beneficiary in Canada has failed to receive in full all values guaranteed under any policy contract issued by a company operating in this country under Dominion license or registry.

As far as the permanence of life insurance in its present form in the future is concerned, this will likely depend more upon the value placed upon the social services it performs in the community than upon its financial soundness. That is, not only those engaged in the business but the public as well must be convinced that the function performed by the institution of life insurance is essential to the social and economic welfare of the people, and that it can best and most economically be performed under the existing co-operative private enterprise system.

Life insurance has been built by people banded together in companies through the organized efforts of workers who are engaged in the business as a means of livelihood. It has been possible to develop it to its present magnitude because, as a matter of fact, there is no other institution by means of which the average person in all walks of life can so well solve some of his most pressing financial problems.

Disturbing Hazards

Most men are ambitious to do great things for themselves and their families, but in their efforts they are faced with various hazards of business and life. They have to make their way through the complicated maze of business and at the same time keep up with the modern scale of living. In the majority of cases they have only their weekly or monthly earnings out of which to make provision for protection against the two most disturbing financial hazards with which they are confronted—premature death and dependent old age.

Life insurance provides the only means by which people can secure protection, for a proportionately very small annual outlay, against the financial effects of premature death and also at the same time make sure of financial independence in their own old age, the time when people generally are no longer able, on account of failing faculties, to earn their own living, when intellectual alertness is dulled and when the fire of ambition and self-reliance is very low.

Life insurance enables them to make provision in early life so that in old age they will not have to crucify their pride and throw themselves upon the mercy of their relatives. It is true that life insurance cannot prevent the hair turning gray or white, or the step from becoming slow or infirm, but it can provide the necessary means to take care of all temporal needs. It can remove financial terrors from old age and make it serene and peaceful.

Sting Out of Early Death

While life insurance cannot stay the hand of the Grim Reaper, whether it comes early or late in life, it can, in the case of premature death, provide the means for the fulfilment of the plans for the future which the insured person would have carried out had he been granted the average life span. Instead of crashing to ruin with his death, life insurance enables these plans to be carried to completion. Instead of a broken home and separation of the members of the family, the family circle can be kept intact under the same roof.

In no other way can a person by a small down payment in the form of an annual premium create an immediate estate of sufficient size to provide for the continuance of his income to his dependents when he has been removed by death and is no longer here to earn it. His income lives on, as it were, to keep the family together and provide an education for his children. By means of life insurance he is thus enabled to continue a most valuable social service in the community after he himself has passed from the earthly scene.

Most people prefer to build their social security through their own efforts rather than have the state furnish it under a compulsory system which entails the loss of individual liberty. They are anxious to obtain the benefits of social security but they also want to retain the freedom of action which goes with individual responsibility.

Life insurance affords them the opportunity to become the architects of their own social security without any sacrifice of individual liberty. The more they experience the effects of regimentation and government controls the less the people like them. Although they recognize that such restrictions are more or less necessary in wartime and must be put up with, they want to get rid of them as soon as possible after peace comes. They are not in the mood at present to look with favor upon more regimentation in the form of compulsory social insurance of any kind.

Civilian Morale Builder

In a time of total war like the present much depends upon the civilian population as well as upon the armies at the front. Thus the stability of the home front, the health, productivity and morale of the working population are of more importance than ever before. Life insurance performs a most valuable social service by its contributions to the building of morale, through its direct and indirect financing of the country's war effort, and through its stabilizing of community credit and the national economy by the continuous flow of benefit payments to policyholders and beneficiaries.

Dollars put into life insurance are anti-inflationary dollars, as they are dollars saved and not spent, and by using their best endeavors to increase the sale of life insurance even under the handicap of greatly reduced sales forces the insurance companies have exerted a powerful influence in holding the line against that deadly economic enemy of the common people—inflation. By selling the idea of thrift instead of careless spending, they have also been the means of creating a bulwark of resources as a protection against the period of readjustment which is bound to follow when war work comes to an end.

There is no question that under the existing co-operative private enterprise system life insurance has been outstandingly successful in its efforts to induce people to save instead of spend their surplus earnings, and also in mobilizing these moneys and putting them to work for the common good. But alert life insurance men recognize that they cannot afford to rest on their oars, and they are now concerned about how best to meet present and future problems and to make the most of their opportunities for service. They realize that service to the holders of life insurance policies and their beneficiaries is the only reason for the existence of the life insurance business.

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Inquiries

Editor, About Insurance:

I am considering purchasing a Government annuity. I am a woman, aged 65, single, and have $10,000 to invest. How much monthly income would I receive? Your advice will be greatly appreciated.

—G.S.H., Toronto, Ont.

At age 65 $10,000 would purchase a Dominion Government life annuity of $862.10 per annum or $71.84 a month, which amount would be payable as long as you lived and would

$1,575,725.00
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The Wawanesa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets - $4,382,095.84
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Head Office: WAWANESA, Man.
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Consult your Agent or Broker as you would your Doctor or Lawyer

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THAT is the question over which astute management is now pondering relative to post-war business. To meet the new problems that will arise—of production, distribution, competition—wise planning is needed *now*.

Your office is a good place to start. Start right by specifying in your estimates the time-proven products of "Office Specialty"—

Makers For Over 56 Years of
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THE OFFICE SPECIALTY MFG. CO. LIMITED
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You Can Keep Your Victory Bonds In Our Vaults!

VICTORY BONDS should be protected from fire, theft or loss.

There is a general shortage of private safety deposit boxes, but there is room in our vaults for your Victory Bonds.

For 10¢ per $100 per annum—minimum charge 25¢—we will keep your bonds for you, clip the coupons and credit the interest to your savings account.

If you need cash, *borrow* at the Bank, with the bonds as security—another safeguard for your investment.

BANK OF MONTREAL
GEORGE W. SPINNEY, C.M.G., *President*
B. C. GARDNER, *General Manager*
A 232

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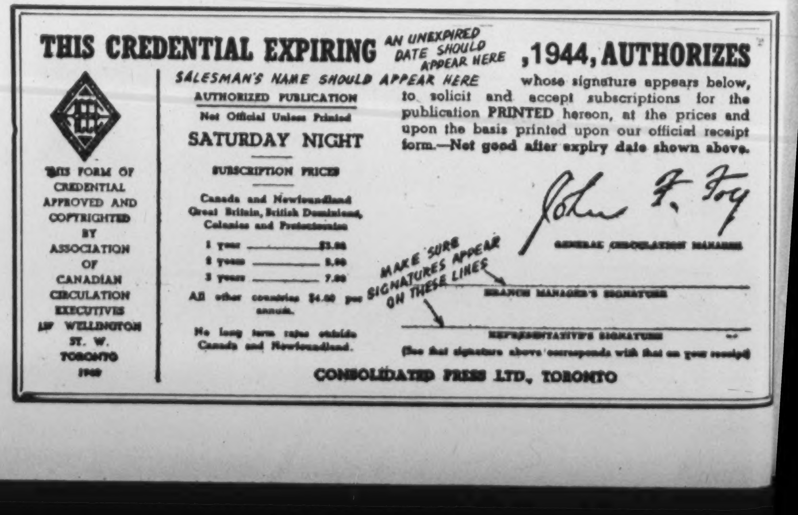

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stop at your death whenever that occurred. That is the type of annuity which yields the largest amount of income, and is suitable where there are no dependents or others for whom the annuitant wishes to make some provision in the case of his or her early death. The Government also issues what is known as a guaranteed annuity under which the income is payable for a certain number of years in any event whether the annuitant lives for that length of time or not. At age 65, $10,000 would purchase an annuity, guaranteed for ten years, of $809.70 per annum or $67.47 a month, which amount would be payable as long as the annuitant lived and for ten years in any event, so that should the annuitant not live to receive the income for ten years, the remainder of the payments would go to the annuitant's heirs. Life annuities provide a dependable income of a larger amount than could be obtained by investing the money in absolutely safe securities. Of course, in providing the income the principal is gradually being used up as well as the interest earned on it, but the more than counterbalancing advantage is that the income is one which cannot be outlived however far into the future the life of the annuitant may extend.

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Editor, About Insurance:

Can you let me have a report on the financial position and business in Canada of a British company called the Guildhall Insurance Company with head office in London, I understand. Is this an old-established company, and how long has it been doing business in this country? How about collection of Canadian claims?

—C. N. H., London, Ont.

Guildhall Insurance Company Limited, with head office at London, Eng., and Canadian head office at Montreal, was organized in 1920, and has been doing business in Canada under Dominion registry since 1921. It was formerly known as The Autocar Fire and Accident Insurance Company, Limited. It is regularly licensed in this country and has a deposit with the Government at Ottawa of $428,069 for the protection of Canadian policyholders exclusively. At the end of 1943 its total assets in Canada were $591,775, while its total liabilities in this country amounted to $279,745, showing a surplus of assets in Canada over liabilities in Canada of $312,030. Its total income in Canada in 1943 was $330,032, made up of: net fire premiums, $87,400; net premiums other than fire, $242,632. Its total expenditure in Canada in 1943 was $324,084. It showed an underwriting gain in Canada for the year of $40,825. It occupies a sound business and financial position, and is safe to insure with. All claims in Canada are readily collectable.

NEWS OF THE MINES

Prospecting Must Be Encouraged

By JOHN M. GRANT

WHAT is a prospector?

Viola R. MacMillan, president of the Prospectors and Developers Association, a body dedicated to the proposition that prospector and prospecting are not just important, but are vital necessities in Canada today as never before, in a recent address answered as follows—"a prospector is a person who looks for mines. His travels take him far from the beaten trails, for mines are very hard to find—I can testify to that. So hard, in fact, that many of them spend their whole lives looking without finding much beyond the hard trails, long portages, lonely days and nights." Mrs. MacMillan who believes she knows 85% of the prospectors in Canada from Halifax to Vancouver, personally adds that it might indeed be said that a prospector is an incurable optimist, for that is what he must be above all else.

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All too few prospectors are in the field and probably not more than a few hundred were scattered across Canada last season, and these were largely the older men. As pointed out by R. C. Stanley, president of the International Nickel Company, who recently forwarded a "substantial cheque" to the Prospectors and Developers Association to further its endeavors, it is imperative that steps be initiated now for more positive encouragement of prospecting if Canada's established position in world mining is to be maintained. According to Mr. Stanley greater rewards must be offered to prospectors; government tax and other regulations must be revised to give them more liberal treatment, increased aid and support must be forthcoming from government agencies, mining companies and individuals, and the encouragement of prospecting should be a part of the rehabilitation program for returned service men.

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The decline of prospecting and lack of its lure may be attributed to several factors Mr. Stanley states. Many prospectors feel they cannot take their "finds" to the large mining companies, and there is a tendency to feel that they do not get a fair deal. They are forced, therefore, to finance their development either through a small syndicate or a stock company, and he considers measures should be taken to remedy the situation if it exists, or correct the impression if it amounts to no more than that. The prospector is perfectly willing to gamble and to wait, provided he has a chance. In all fairness, he must be assured of getting his portion if his find makes good.

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In Mr. Stanley's opinion the return of men from the armed forces and from overseas should afford an excellent opportunity to inject new blood into prospecting. The problem will be to secure the right men, train them for the job and make the goal sufficiently attractive by offering a real incentive. To expedite and direct the returning young men into the business, the initiation of a well organized educational program proposed by the Prospectors and Developers Association, backed by government departments, aided financially by the mining companies both large and small, and helped by other organizations, would be in order.

•

In discussing prospecting as an outlet for men returning from the Armed Services Mrs. MacMillan makes it clear that if men without experience

(*Continued on Page 24*)

New Issue

$11,250,000

Simpsons, Limited

4½% Cumulative Redeemable Preferred Shares
(Par Value $100)

Preferred as to Capital and Dividends. Cumulative preferential dividends at the rate of 4½% per annum will accrue from March 15th, 1945 and as and when declared by the Board of Directors will be payable quarterly, on June 15th, September 15th, December 15th and March 15th. Dividends will be payable in lawful money of Canada at any branch in Canada of the Company's bankers (Yukon Territory excepted). Redeemable in whole at any time or in part from time to time, at the option of the Company on sixty days' notice, at 104 plus accrued and unpaid dividends to the date fixed for redemption.

Appropriate corporate proceedings are being taken to appoint transfer agents and registrars for the Company's Shares in Toronto, Montreal, Winnipeg, Vancouver and Halifax.

In the opinion of Counsel, these Shares will be a legal investment for funds of Insurance Companies registered under The Canadian and British Insurance Companies Act, 1932, as amended.

We offer these Preferred Shares subject to prior sale and change in price, if, as and when issued, and accepted by us and subject to the approval of our Counsel, Mr. J. S. D. Tory, K.C., Toronto, who is also Counsel for the Company.

Price: $98.50 per share and accrued dividend

It is expected that fully registered interest bearing Trustee's Receipts, bearing interest at 4½% from January 15th to March 15th will be available for delivery against sales for cash on and after January 15th, 1945. For exchanges with existing shareholders, it is expected that fully registered non-interest bearing Deposit Receipts will be available on and after January 15th, 1945, when such shareholders will receive the difference between the redemption price of $105 on the existing preference shares plus accrual of dividend of 75¢ from February 1st to March 15th (less any tax deduction required to be made by the Company) and $98.50, being the offering price of the new Preferred Shares.

A Prospectus, a copy of which has been filed under the provisions of The Companies Act, 1934, will be promptly furnished upon request.

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News of the Mines

(*Continued from Page* 23)

and training are led into the business because of its glamor they are certainly doomed to disillusionment and many bitter disappointments. They must, she states, be told and they must be trained. Hundreds of new men are needed but they must be useful men. "We hope to meet men coming from the services, and be able to direct those interested to training courses. We hope enough will be found to necessitate prospectors' courses in all the universities and vocational schools in Canada for several years to come. We plan to seek outlets for these trained men as employees of mining companies, as partners with skilled prospectors, and as assistants on governmental surveys until they gain enough practical experience to enable them to survive on their own." The Prospectors' Association hopes to deserve and win for its plan the support of every mining company, of every financial institution interested in mining, its banks and trust companies, the brokerage houses large and small, of industrial firms who sell to mines, in fact, of everyone interested in the future of mining in Canada.

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A much improved ore situation is now apparent at Jerome Gold Mines, in the Opeepeesway Lake area, northwest of Sudbury, where the 500-ton mill was shut down in August, 1943. Since that time operations have been concentrated on development and this work continues to add to the ore picture. Ore reserves when milling ceased were estimated at 213,442 tons, averaging 0.166 oz. gold per ton, and development this year has undoubtedly made a considerable addition, particularly since it was ascertained that the plunge of the ore to the east was fairly flat. A couple of months ago a new orebody was reported on the 500-foot level, 325 feet long and showing about twice the mine's average grade of ore.

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No decision has yet been reached regarding shaft sinking at the Porcupine Reef Gold Mines' property where over 12,000 feet of diamond drilling has been completed in the current program with finances provided through an option agreement with Broulan Porcupine. The results to date are sufficiently encouraging to warrant the continuation of the drilling campaign but it is officially pointed out that much remains to be done before it can be decided whether underground work is warranted. Some high assays are being obtained but the correlation of the intersections hole to hole is difficult owing to the erratic distribution of gold values. If brought through to production an arrangement has been made to mill ore at the Broulan mill, 2½ miles distant, at actual milling cost, plus 50 cents per ton depreciation charge.

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While numerous obstacles have arisen to impede progress of Beattie Gold Mines in pumping the mud from the main shaft and workings, they are now clear to the fourth level and work is being continued. The company hopes to have the pumping out job finished and the main shaft rehabilitated to the point where production can be resumed next March. Drilling below the sixth level on the Donchester vein has shown better widths and grade than were apparent in development work at this horizon, although the general ore picture is not much changed. The Donchester ore has now an indicated length of about 2,500 feet and development work so far shows a grade of around $7.50 or $8 per ton, which is about double that on which the mine was established.

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As a result of the lower scale of operations this year, earnings of Noranda Mines for the first nine months are substantially under those of the like period in 1943. Profits for the first nine months this year are estimated at $3.13 per share, as compared with $3.85 in the same portion of 1943. The reduced income from production in the third quarter was partially offset by decreased operating costs. Estimated net earnings for the September quarter were $1.03 per share, after provision for depreciation and taxes, as against $1.06 in the previous three months and $1.04 in the first quarter of the year. Income in the form of dividends and interest from its subsidiary and associated companies and from other investments is expected to be between $1.25 and $1.50 per Noranda share this year.

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The scene of the newest gold discovery of interest in Quebec was in Privat township. The discovery group has been optioned by D. L. Alexander of Toronto, and Trojan Gold Mines has been formed to finance its development. A compressor and a couple of drills have been dispatched to the property to carry out further exploration. The find which was made on the Rochette-McDonald property is about 25 miles from Noranda. The vein system has been exposed by four trenches over a length of 400 feet and a width of 35 to 50 feet, with assays from chip sampling reported from 35 cents to $13.30.

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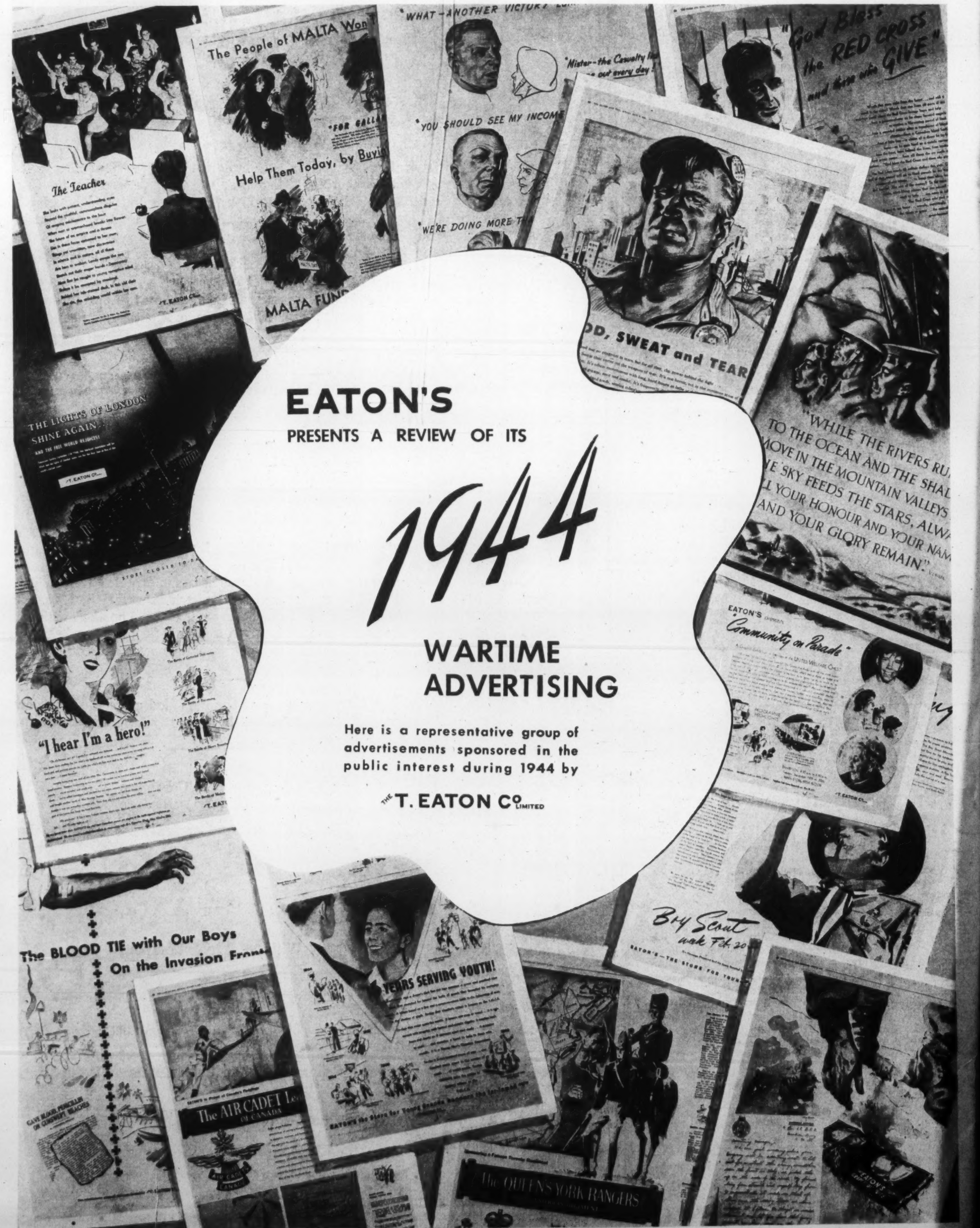
Sigma Mines (Quebec) in the Bourlamaque area of Quebec, controlled by Dome Mines, reports production of $159,111, an average of $6.43 per ton in November, as compared with $176,118, or an average of $6.88 in the previous month. The continued decline in grade is attributed to the impossibility to choose the sections from which ore is drawn owing to the manpower situation. In the first 11 months of the current year output was valued at $2,019,098 as against $2,281,375 in the like period of 1943. Average per ton this year was $7.22 and last year $7.35.

W/O Hawkshaw, of Cornwall, Ont., was one of four airmen who were rescued after clinging for 24 hours to an aircraft wheel, when their plane was forced down in the Arabian Sea.



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